



## CORPORATE GOVERNANCE: BOARD CHARTER

### Purpose of Board Charter

1. This Board Charter ("Board Charter") sets out the principles for the operation of the board of directors ("Board") of Anson Resources Limited and its subsidiaries worldwide ("Anson") to describe the functions of the Board and those functions which are delegated by the Board to the senior management of Anson.
2. The Board acknowledges its responsibility to at all times act ethically, honestly and in accordance with the Directors code of conduct set out within this Board Charter, the law and the highest standards of corporate governance, in order to best serve the interests of the Company's shareholders as well as its employees, customers, suppliers and the local communities in the jurisdictions in which Anson has its operations.

### Primary role of the Board

3. The Board is responsible for ensuring that Anson is properly managed in accordance with the ASX Corporate Governance Council Principles and Recommendations, 2nd edition ("Revised ASX Principles"). To the extent that Anson does not currently conform to the Revised ASX Principles, the Board is responsible to ensure that Anson, the Board and senior management aspires to best practice at all times in corporate governance.
4. The Board is responsible for:
  - I. overseeing the companies comprising Anson
  - II. providing input into and final approval of Anson's strategic direction and performance objectives
  - III. directing, monitoring and assessing Anson's performance against appropriate strategic and business plans
  - IV. approving Anson's annual budgets
  - V. reporting to shareholders and other stakeholders on the performance and state of Anson
  - VI. approving and monitoring the progress of capital management, major capital expenditure, acquisitions and divestments and assuming major liabilities.

### Duties of the Board

5. In addition to matters which the law requires to have Board approval, the following are the specific powers which are reserved to the Board, to be exercised in a manner which creates and continues to build sustainable value for shareholders and in accordance with the law:
  - I. reviewing and ratifying Anson's systems of internal compliance and control, risk management and legal compliance, and ensuring the integrity and effectiveness of those systems
  - II. approving and monitoring financial and other reporting, including reporting to shareholders, ASX and other stakeholders
  - III. appointing and removing the Managing Director, Company Secretary [and Chief Financial Officer]

- IV. ratifying senior management appointments
- V. monitor senior management performance and their implementation of strategy
- VI. ensure appropriate resources and professional advisory resources are available to senior management
- VII. ensure that remuneration and conditions of service or engagement are appropriate to attract and retain senior management whether as employees or consultants
- VIII. establish and monitor succession planning for the Board and for senior management.

### **Composition of the Board**

- 6. The ASX Listing Rules and the Constitution governs appointment and removal of Directors.
- 7. There is no maximum fixed term and no compulsory retirement age for non-executive Directors.
- 8. The Board must be structured so that independent non-executive Directors are not in the minority on the Board, and that the Chairman is independent. An independent Chairman plays a crucial role in ensuring that the Board works effectively and in accordance with best practice as set out in the Revised ASX Principles.
- 9. Appointments to the Board must be based on merit against objective criteria that serve to maintain an appropriate balance of skills and experience on the Board as Anson develops and grows its operations and hence its required management skills.
- 10. The Nomination Committee recommends appointments to the Board. The most frequently used nomination criteria are the ability to exercise sound business judgement, a position of leadership or prominence in a specified field, absence of personal conflict of interest, willingness to devote the required time, freedom from scheduling conflicts allowing attendance at Board or Committee meetings, appropriate experience at Board level, geographic spread having regard to Anson's operations, and maintaining a majority of Directors who are independent within the meaning of the Revised ASX Principles.

### **Independence of Directors**

- 11. An independent Director is a non-executive Director who:
  - I. is not a substantial shareholder of Anson or an officer of or otherwise associated directly with, a substantial shareholders of Anson
  - II. within the last three years has not been employed in an executive capacity by Anson or been a director of Anson within three years after ceasing to hold any such employment
  - III. within the last three years has not been a principal of a material professional adviser or a material consultant to Anson or an employee materially associated with the service provided
  - IV. is not a material supplier or customer of Anson or an officer of or otherwise associated directly or indirectly with a material supplier or customer, or
  - V. has no material contractual relationship with Anson other than as a director of Anson.

### **Board Meetings**

- 12. The Board shall meet at sufficiently regular intervals to properly discharge its duties by methods permitted by law and the Constitution
- 13. Each year at least one Board meeting is to be held in conjunction with a visit to the Company's operations in each jurisdiction to assist the Directors in their review of the business of Anson.

14. Directors may seek independent professional advice at the expense of Anson with the Chairman's consent and assistance from the Company Secretary, on any matter connected with the discharge of their responsibilities. A copy of the advice will be made available to all directors at the next Board meeting.

#### **Board Committees**

15. The Board will establish committees to assist it in discharging its responsibilities. The Board approves the terms of reference for each committee which set out matters concerning composition, responsibilities and administration of each committee and other matters considered appropriate by the Board.
16. The Board has established the Audit Committee, the Remuneration Committee and the Nomination Committee.
17. Each Committee is comprised of non-executive Directors with the necessary skills and experience. All Directors who are not members have a standing invitation to attend committee meetings. The chairman of each committee reports to the Board on meeting proceedings following each meeting.
18. The Board may in the future establish a Risk and Compliance Committee, and other appropriate committees on a standing or ad hoc basis from time to time.

#### **Chairman**

19. The Chairman is elected by the Directors for the period decided by the Directors.
20. The Chairman must be an independent non-executive Director.
21. The Chairman and Managing Director will not be the same person.
22. The Chairman is responsible for leadership of the Board, for ensuring that the Board functions effectively and for communicating the views of the Board (including through the Managing Director) to shareholders and the public. In performing this role the Chairman's responsibilities included:
  - I. setting the agenda for matters to be considered by the Board
  - II. managing the conduct, frequency and length of Board meetings so as to ensure that the board minutes provide an in-depth understanding of the Company's performance and the opportunities and challenges facing Anson
  - III. facilitating open and constructive communications between Board members and encouraging their contribution to Board deliberations
  - IV. acting a mentor to the Managing Director
  - V. ensuring principles of best practice in corporate governance are aspired to and adhered to by the Board leading by example
  - VI. acting as an independent sounding board to the Managing Director, advising the Managing Director on likely Board reactions to issues and proposals, keeping directors informally advised as necessary on such matters, convening special Board meetings as required and optimising the working relationship between the Chairman, the Managing Director and the other directors
  - VII. initiating a review of the performance of the Board as a whole and all individual directors at least annually

#### **Managing Director**

23. The Managing Director is selected by the Board and is subject to annual performance reviews by the non-executive directors.
24. The Managing Director is responsible for managing the Company, reporting to the Board, recommending policy and strategy to the Board for approval, managing day to day operations of the

Company and engaging appropriate resources for the Company in its operations.

25. The Managing Director is accountable to the Board for the authority delegated to him and the performance of Anson.

#### **Company Secretary**

26. The Company Secretary is accountable to the Board, through the Chairman, on all governance matters.

#### **Delegation of Authority**

27. With the exception of the specific powers reserved to the Board outlined above, the Board has delegated to the Managing Director day to day management of Anson and all authority to achieve Anson's strategic, financial and business objectives in accordance with best practice corporate governance.

28. The Managing Director is responsible for:

- I. developing business plans, budgets and strategies for Anson for consideration by the Board and to the extent approved by the Board, for implementing these plans, budgets and strategies
- II. operating the Company's businesses within the parameters set by the Board from time to time, and keeping the Board informed of material developments in the Company's businesses
- III. where a proposed transaction, commitment or arrangement exceeds the parameters set by the Board, referring the matter to the Board for its consideration and approval
- IV. Identifying and managing operational and other risks and, where those risks could have a material impact on the Company's businesses, developing strategies for managing these risks for consideration by the Board
- V. managing the Company's financial and other reporting mechanisms and control and monitoring systems to ensure that these mechanisms and systems capture all relevant material information on a timely basis and are functioning effectively
- VI. ensuring that the Board is provided with sufficient information on a timely basis in regard to the Company's performance, financial condition, operating results and prospects, to enable the board to fulfil its governance responsibilities
- VII. implementing the policies, processes and codes of conduct approved by the Board
- VIII. implementing policies, processes and procedures for the management and development of the Company's employees.

#### **Performance of Directors**

29. The performance of the directors is evaluated by the Chairman each year. Directors whose performance is judged to be unsatisfactory, or whose skill set and ability to add value to the Board no longer match the needs of the Company, may be asked to retire.

#### **Policies**

30. The Board endorses and must comply with Anson's policies including the Securities Trading Policy and the Continuous Disclosure Policy.

This Board Charter was adopted by the Board of Directors on 26 March, 2010.