

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

### **INTRODUCTION AND PURPOSE**

This statement summarises the role and responsibility of the board of Matsa Resources Limited ("Matsa" or "the Company").

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 Matsa.

It must be noted that the roles and responsibilities of the board will evolve. 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.

### **ROLE OF THE BOARD**

#### **Key Responsibilities**

The management and control of the business of Matsa is vested in the board. The board's primary responsibility is to oversee Matsa business activities and management for the benefit of Matsa shareholders. The board also recognises its responsibilities to Matsa employees, the environments and communities in which Matsa 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.

- 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 Conduct and that the Company practice is consistent with that Code; and MATSA POLICIES MANUAL;
- Reporting to and advising shareholders.

### **Delegated Responsibility**

The board has delegated responsibility for the day-to-day activities to the CEO and the Executive Management. The board ensures 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 Executive Management.

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.

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:

- As outlined above, the board oversees the strategic direction of the Company.
- As outlined above, the board approves all budgets.

The board receives detailed board papers 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 meets 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.