

## **CORPORATE GOVERNANCE**

The Board recognises the importance of good corporate governance and has adopted the QCA (Quoted Companies Alliance) Corporate Governance Code. The board governs and measure itself on the ten principles listed below to ensure we comply with the QCA Corporate Governance Code, at this point in time. We will provide annual updates on our compliance with the code and ensure this information is updated and available to all shareholders on a regular basis. At this time there is no deviation from the main principles.

**Principle 1: Establish a strategy and business model which promote long-term value for shareholders**

**Principle 2: Seek to understand and meet shareholder needs and expectations**

**Principle 3: Take into account wider stakeholder and social responsibilities and their implications for long-term success**

**Principle 4: Embed effective risk management, considering both opportunities and threats, throughout the organisation**

**Principle 5: Maintain the board as a well-functioning, balanced team led by the chair**

**Principle 6: Ensure that between them the directors have the necessary up-to-date experience, skills and capabilities**

**Principle 7: Evaluate Board performance based on clear and relevant objectives, seeking continuous improvement**

**Principle 8: Promote a corporate culture that is based on ethical values and behaviours**

**Principle 9: Maintain governance structures and processes that are fit for purpose and support good decision-making by the Board**

**Principle 10: Communicate how the Company is governed and is performing by maintaining a dialogue with shareholders and other relevant stakeholders**

In addition in formulating the Company's corporate governance procedures the Board of Directors takes due regard of the principles of good governance set out in the Revised Combined Code issued by the Financial Reporting Council in July 2003 (as appended to the Listing Rules of the Financial Services Authority) and the size and development of the Group.

The Board of Rambler Metals and Mining PLC is made up of one executive director and six non-executive directors. It is the Board's policy to maintain independence by having at least half of the Board comprising non-executive directors who are free from any business, or other relationship with the Group. The structure of the Board ensures that no one individual or group dominates the decision making process.

The Board ordinarily meets on a bi-monthly basis providing effective leadership and overall control of the Group's affairs through the schedule of matters reserved for its decision. This includes the approval of the budget and business plan, major capital expenditure, acquisitions and disposals, risk management policies and the approval of the financial statements. Formal agendas, papers and reports are sent to the directors in a timely manner, prior to Board meetings. The Board also receives a summary financial report before each Board meeting. The Board delegates certain of its responsibilities to Board committees which have clearly defined terms of reference. Between the bi-monthly Board meetings, referred to below, an Executive Committee, consisting of the executive director, two non-executive directors and key operations personnel, meets on a regular basis.

All directors have access to the advice and services of the Company Secretary, who is responsible for ensuring that all Board procedures are followed. Any director may take independent professional advice at the Company's expense in the furtherance of his duties.

The Audit Committee which meets not less than twice a year and considers the Group's financial reporting (including accounting policies) and internal financial controls. The committee receives reports from management and from the Group's auditors. The Group has in place a series of procedures and controls designed to identify and prevent the risk of loss. These procedures are formally documented and are reported on regularly. The Audit Committee has reviewed the systems in place and considers these to be appropriate.

The Compensation, Corporate Governance and Nominating Committee which meets at least once a year and is responsible for making decisions on directors' remuneration packages. Remuneration of executive directors is established by reference to the remuneration of executives of equivalent status both in terms of level of responsibility of the position and by reference to their job qualifications and skills. The Remuneration Committee will also have regard to the terms which may be required to attract an executive of equivalent experience to join the Board from another company. Such packages include performance related bonuses and the grant of share options.

Other committees such as the Safety, Health and Environment Committee and the Technical Committee provide technical oversight directly to operations and key management personnel.

The Board attaches importance to maintaining good relationships with all its shareholders and ensures that all price sensitive information is released to all shareholders at the same time in accordance with relevant Stock Exchange rules. The Company's principal communication is through the Annual General Meeting and through the annual report and accounts and the interim statement.