

## Board Charter

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### 1. INTRODUCTION

#### 1.1. Corporate Governance

The Board of Directors (Board) of KGL Resources Limited (ACN 082 658 080) (Company) supports the ASX Corporate Governance Council's Principles of Good Governance and Best Practice Recommendations (Principles). The Board has developed policies and practices consistent with the Principles with such adjustments as the Board believes are appropriate for the size and nature of the Company.

#### 1.2. Compliance

The Board has the responsibilities set out in this Charter and will carry out those responsibilities in accordance with the law, the Principles and the Company's Code of Conduct.

#### 1.3. Board Responsibilities

In carrying out its responsibilities and exercising its powers, the Board at all times recognises its overriding responsibility to act honestly, fairly, diligently and in accordance with the law in serving the interests of the Company's shareholders, as well as its employees and its customers. It works to promote and maintain an environment within the Company that establishes these principles as basic guidelines for all of its employees and representatives at all times.

### 2. PURPOSE

This Board Charter (Charter) sets out the functions and responsibilities of the Board and the principles for the operation of the Board. It also describes the functions delegated to management.

The Board has the power to make decisions about any of its responsibilities set out in this Charter.

### 3. RESPONSIBILITIES AND FUNCTIONS

#### 3.1. Role of the Board

The role of the Board is to provide strategic guidance for the Company and to effectively oversee management of the Company.

As the Board is accountable for the performance of the Company, it is responsible for promoting and protecting the interests of the Company.

#### 3.2. Responsibilities of the Board

The Board is responsible for the management of the Company's affairs, including:

- (a) overseeing the Company, including its control and accountability systems;
- (b) appointing and removing the CEO and senior executives, and monitoring performance of the CEO and senior executives;

- (c) determining and approving the levels of authority to be given to the CEO and senior executives in relation to operational expenditures, capital expenditures, contracts and authorising any further delegations of those authorities by the CEO to the other employees of the Company;
- (d) approval of corporate strategy, financial plans and performance objectives;
- (e) reviewing, ratifying and monitoring systems of risk management and internal control, codes of conduct and legal compliance;
- (f) monitoring occupational health, safety and environmental performance and compliance and ensuring commitment of appropriate resources;
- (g) evaluating, approving and monitoring major capital expenditure, capital management and all major corporate transactions, including the issue of securities of the Company; and
- (h) approving all financial reports and material reporting and external communications by the Company.

#### **4. MEMBERSHIP**

##### **4.1. Composition**

The Board is responsible for determining the size and composition of the Board, subject to the Company's constitution and will be of such size and competence necessary to understand properly and deal with current and emerging issues relevant to the Company's business. The Company's constitution currently prescribes a minimum of three Directors and a maximum of ten.

The structure of the Board is determined in accordance with the following principles, to aim for, so far as is practicable given the size and development status of the Company:

- (a) a majority of the Board being Independent Directors;
- (b) the appointment of a chairman who is an Independent Director; and
- (c) a chairman who is not the Chief Executive Officer.

##### **4.2. Chairman**

The Chairman is responsible for leadership of the Board, for facilitating the effective contribution of all Directors and promoting constructive and respectful relations between Directors and between the Board and Management.

The Chairman is also responsible for setting the agenda for Board meetings, and ensuring the efficient organisation and conduct of the Board's function, the briefing of all Directors in relation to issues arising at Board meetings, and overseeing communications to shareholders and arranging Board performance evaluation.

#### **4.3. Secretary**

The Company Secretary of the Company (Company Secretary) is appointed by, and is accountable to, the Board through the Chairman.

The Company Secretary is also responsible for advising the Board, Directors and the Committees on all governance and procedural matters. The Company Secretary will assist the Board as required to effectively carry out its responsibilities.

The Company Secretary is also responsible for developing, implementing and maintaining governance policies, processes and systems.

The Company Secretary must attend each Board meeting and will act as the secretary for the Board.

### **5. ADMINISTRATION**

#### **5.1. Meetings**

The Company Secretary must convene a meeting of the Board if requested to do so by any Director.

#### **5.2. Frequency of meetings**

The Board will meet at least seven times a year, or more frequently as required.

#### **5.3. Notice of meetings**

Directors must be given reasonable notice of a Board meeting (including Board papers, agenda and other relevant materials). Board meetings can be validly held without requiring acknowledgement of receipt of the notice from Directors.

All Directors have the right to contribute to the agenda for any Board meeting.

#### **5.4. Quorum and Voting**

At any Board meeting, a quorum consists of three non-executive Directors.

At Board meetings, each Director has one vote and the Chairman does not have a casting vote. In the case of a tied vote, the motion being considered at the Board meeting will lapse.

Directors must not vote on any matter relating to their membership of the Board or a Committee or any matter which may give rise to a conflict of interest.

#### **5.5. Minutes**

The Company Secretary will take formal minutes of all Board meetings, and will distribute a copy of the minutes to all Directors once the Chairman has given preliminary approval. A copy

of all notices, minutes, agenda and other Board papers will be provided to Directors by the Company Secretary on request.

#### **5.6. Other attendees**

The Board may invite any person to attend any meeting or part of any meeting of the Board.

If any person invited to attend a Board meeting has a material personal interest in a matter that is being considered at that Board meeting, that person must declare his or her interest and must not be present when the Board considers that matter.

#### **5.7. Circulating resolutions**

Where it is not practical to convene a Board meeting for urgent matters, circulating resolutions may be used. Circulating resolutions must be made in accordance with the Constitution.

If the circulating resolution is not approved by all Directors, the item for consideration may be deferred to the next Board meeting.

#### **5.8. Conflicts of interest**

Directors must ensure that any decision or action they make or endorse does not conflict with their duty to the Company or have the effect of placing the Director's personal interests above the interests of the Company.

Each Director is required to declare all actual or potential conflicts of interest.

#### **5.9. Non-executive Directors' meetings**

The non-executive Directors will meet alone without executive Directors or representatives of executive management present at least once a year.

### **6. DIRECTOR CONDUCT AND INDEPENDENCE**

#### **6.1. Conflicts of interest**

Every Director is expected to bring an enquiring, open and independent mind to Board matters, listen to the debate on each issue raised, consider the arguments for and against each motion and make determinations a decision which he or she believes to be in the best interest of the Company as a whole.

#### **6.2. Skills and experience**

Every Director is expected to use their expertise, knowledge, experience and skills when carrying out their responsibilities and making decisions.

#### **6.3. Codes of conduct**

All Directors are expected to carry out their responsibilities in accordance with the Company's Code of Conduct and Securities Trading Policy.

## **7. COMMITTEES OF THE BOARD**

### **7.1. Board Committees**

The Board has established committees to assist the Board in carrying out its responsibilities, and each Committee has been delegated certain specific responsibilities, as set out in each Committee's charter.

The Board remains ultimately responsible for making decisions on matters that fall within the specific responsibilities of the Committees, and will receive copies of minutes of Committee meetings.

The Committees assist the Board by carrying out their specific responsibilities, reporting to the Board about their actions and decisions, and making recommendations to the Board about matters that are within their specific scope of responsibilities.

The Board is responsible for approving the charters of the Committees.

### **7.2. Permanent Board committees**

The Board established the following committees of the Board, the:

- (a) Audit and Risk Committee;
- (b) Remuneration and Nomination Committee.

### **7.3. Specific purpose Board committee**

The Board may also establish specific purpose committees of the Board from time to time.

### **7.4. Composition of Committees**

Each Committee must be comprised of the individuals the Board considers best suited to fulfil the role of each Committee.

The Audit and Risk Committee must comprise a minimum of three independent, non-executive Directors and must have a majority of independent, non-executive Directors.

The Chairman of each Committee will be an independent non-executive Director.

## **8. INDEPENDENT PROFESSIONAL ADVICE**

With the knowledge of the Chairman, Directors may seek independent professional advice at the expense of the Company on any matter connected with the discharge of their responsibilities.

The Chairman may determine whether any such advice received by a Director will be circulated to the Board.

## **9. AUTHORITY**

### **9.1. General authority**

The Board is authorised to:

- (a) seek any information from any employee or contractor of the Company or any external party;
- (b) access all relevant Company records;
- (c) obtain legal or other professional advice if necessary; and
- (d) require the attendance at Board meetings of any employee or contractor of the Company.

## **10. REVIEW OF BOARD CHARTER**

The Board will review this Board Charter on a regular basis (but at least once every two years) to ensure it is in line with legislative and regulatory requirements and leading practice.

## **11. BOARD EVALUATION**

The Board will review the performance of the Board as a whole and the Board Committees, the Chairman and Directors on a regular basis (but at least once every two years).

The Board will determine the manner and form of the performance evaluation.

## **12. RELATIONSHIP BETWEEN THE BOARD AND THE CEO**

### **12.1. Powers reserved for the Board**

The Board is vested with the management and control of the business and affairs of the Company and certain matters are specifically reserved for the Board to determine. These matters are set out in section 3.2 of this Board Charter.

To effectively carry out its responsibilities, the Board delegates all other functions to the CEO.

### **12.2. Responsibilities of the CEO**

The CEO is responsible for running the affairs of the Company under delegated authority from the Board and to implement the policies and strategies set by the Board. In carrying out his or her responsibilities, the CEO 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 position and operating results. The CEO is accountable to the Board for the authority delegated to the CEO.