



BOARD CHARTER

Purpose and Role of the Board

This document summarises the role, responsibilities, policies and processes of the Board of KGL Resources Ltd and details the board's approach to corporate governance.

The Board of Directors of the Company (Board) is responsible for the oversight of the business and affairs of the Company on behalf of the shareholders. The Board aims to generate wealth for shareholders while discharging its regulatory obligations and conducting the business in an ethical and responsible manner. This requires that the Board identifies all areas of significant business risk and ensures policies and procedures are in place to adequately manage those risks.

In discharging its stewardship the Board may use specialist subcommittees which are able to focus on a particular responsibility and provide informed feedback to the Board. To date, the Board has established an Audit & Risk Committee, a Remuneration and Nomination Committee and a Sustainability Committee, each which acts within its own charter as set by the Board.

The Board is responsible for the overall operation and stewardship of the Company and, in particular, is responsible for charting the direction, strategies and financial objectives. The Board fulfils these responsibilities by:

Strategy

- (a) Providing the framework for, and approval of, the Company's strategic and business plans including general and specific goals.
- (b) Directing, monitoring and assessing the Group's performance against strategic and business plans, to ensure proper progress is being achieved..
- (c) Approving and monitoring capital management, major capital expenditure and project development acquisitions and divestments.

Risk management

- (a) Identifying the principal risks of the Company's business.
- (b) Reviewing and ratifying the Group's systems of internal compliance and control, risk management and legal compliance, to determine the integrity and effectiveness of those systems.
- (c) Monitoring occupational health, safety and environmental performance and compliance and ensuring commitment of appropriate resources.

Reporting

- (a) Approving and monitoring internal and external financial and other reporting, including reporting to shareholders, the ASX and other stakeholders.

Management

- (a) Appointment and removal of the Chief Executive Officer.
- (b) Appointment and removal of the Company Secretary
- (c) Determining whether the remuneration and conditions of service of senior executives are appropriate.
- (d) Establishing and monitoring executive succession planning.
- (e) Delegating authority to the Chief Executive Officer.

Performance

- (a) Approving criteria for assessing performance of the Chief Executive Officer.
- (b) Monitoring and evaluating the performance of the Chief Executive Officer.
- (c) Undertaking an annual performance evaluation of itself.

Corporate governance

- (a) Encouraging ethical behaviour and compliance with the Company's Code of Conduct.
- (b) Evaluating the Company's compliance with corporate governance standards.
- (c) Performing such other functions as prescribed by law.

In performing the responsibilities set out above, the Board should act at all times in a manner designed to create and continue to build sustainable value for shareholders and in accordance with the duties and obligations imposed on it by the Company's Constitution and by law. The responsibility for the operation and administration of the Company is delegated by the Board to the Chief Executive Officer.

Directors are entitled to obtain access to Company documents and information and to meet with management. Directors are also entitled to seek independent professional advice, after appropriate consultation, at the expense of the Company, to assist them to carry out their duties as directors. Such advice is generally made available to all directors.

Composition

The Constitution of the Company provides for not less than three directors on the Board at all times. Details of directors experience, qualifications, special responsibilities and attendance at meetings is contained in the Directors Report, which forms part of the Company's Annual Financial Statements.

The Board recognises the merits of separating the roles of Chairman and Chief Executive Officer.

At each Annual General meeting, one third of the directors shall retire from office and may stand for re-election.

Independence

The Board regularly assesses the independence of each director. For this purpose an independent director is a non-executive director whom the Board considers independent of management and free of any business or other relationship that could materially interfere with the exercise of unfettered and independent judgment.

Directors are also required to comply with the Company's Code of Conduct and Securities Trading Policy.

Appointment, Review and Removal of Directors

The role of the Board on matters relating to the appointment of directors will include:

- (a) identifying and nominating candidates for directorship;
- (b) establishing criteria for Board membership, including desired qualifications, skills, experience and competencies;
- (c) reviewing current and anticipated Board membership requirements, including:
 - 1) establishing and overseeing processes for the review of the performance of individual directors and the Board as a whole:
 - 2) from time to time, assessing the extent to which the required skills are represented on the Board and the necessary and desirable competencies of Board members; and
 - 3) from time to time, assessing the time commitments of non-executive directors and whether candidates (having regard to other commitments) can meet these commitments, and
- (d) consideration of the results of the performance assessment of individual directors and determining its endorsement of the directors to stand for re-election at the next Annual General Meeting.

Conflicts of interest

As a general principle each director must bring an enquiring, open and independent mind to Board meetings, listen to the debate on each issue raised, consider the arguments for and against each motion and reach a decision that he or she believes to be in the best interests of the Company as a whole, free of any actual or possible conflict of interest, and consistent with the Company's Code of Conduct.

If Board members wish to avail themselves of the business judgment rule, enshrined in section 180(2) of the Corporations Act 2001, they will need to be continuously vigilant to identify circumstances of conflicting interests, that is, circumstances where the director has a material personal interest in the matter before the Board or a committee.

If a director believes, or the Board determines, that a director might be in a position where there is a reasonable possibility of conflict between his or her personal or business interests, the interests of any associated person, or his or her duties to any other company on the one hand, and the interests of the Company or his or her duties to the Company on the other hand, the Board will require that the director to:

- fully and frankly inform the Board about the circumstances giving rise to the conflict; and
- abstain from voting on any motion relating to the matter and absent himself or herself from all Board deliberations relating to the matter including, if required by the Board given the particular circumstances, declining receipt of Board papers bearing on the matter.

If the Board resolves to permit a director to have any involvement in a matter involving possible circumstances of conflicting interests, the Board must minute full details of the basis of the determination and the nature of the conflict including a formal resolution concerning the matter.

If a director believes that he or she may have a conflict of interest in relation to a particular matter, the director should immediately consult with the Chairman. If the director in question is the Chairman, the Chairman should immediately consult with the remainder of the Board.

Role of the Chairman

The Chairman is responsible for the integrity of the Board process and the functioning of the Board.

The special responsibilities of the Chairman are:

- Taking the chair at board meetings
- Ensuring the proper working of the Board
- Sometimes acting as the leading representative of the Company in its dealings with the outside world, including the financial markets, regulators, the press, governments, interest groups and the community
- Maintaining proper shareholder relations, both formally through the Annual General Meeting and reporting procedures, and informally with all major shareholders.
- Be clear on what the Board has to achieve, both in the long and short term;
- Provide firm guidance to other Board members about what is expected of them
- Ensure the Board behaves in accordance with its rules and codes of conduct
- Make board meetings effective by ensuring that the Board
 - Considers the right matters
 - Considers matters properly
 - Comes to clear decisions
- Ensures the decisions of the Board are implemented properly
- Behave fairly by allowing all Board members equal opportunity and input, whilst at the same time being cognisant of the need for efficient, timely and orderly meetings.
- Acting as counsellor, adviser and listener to the Chief Executive and, where necessary, other members of the Board.
