

Board Charter

1. Introduction

- 1.1 This Charter sets out the role, responsibilities, structure and operation of the Board of AuKing Mining Limited (**Board**). This Charter has been developed to promote high standards of corporate governance.
- 1.2 The Board is governed by the constitution of AuKing Mining Limited (**AKN**), which is available by contacting the company.

2. Role of the Board

- 2.1 The primary roles of the Board are the creation of long-term shareholder value while having regard for the interests of all stakeholders including customers, employees, suppliers and local communities, and the oversight of the Group's senior management and the corporate governance framework.
- 2.2 This is achieved by:
 - development of the strategic direction of the Group;
 - efficient financial control;
 - effective oversight of senior management;
 - implementation of internal delegations and controls;
 - promoting high standards of ethical behaviour;
 - respect for employees' aspirations;
 - good corporate governance and commitment to constant improvement of corporate governance practice; and
 - acting as a good corporate citizen.

3. Board Composition and Structure

- 3.1 The constitution of AuKing Mining Limited provides that there will be a minimum of three directors.
- 3.2 The Board should comprise members:
 - with an appropriate range of skills, experience and expertise;
 - with a proper understanding of, and competence to deal with, current and emerging issues;
 - who can effectively review and challenge the performance of senior management; and
 - who exercise independent judgement.
- 3.3 At each Annual General Meeting (**AGM**) one-third of the directors (or if their number is not three nor a multiple of three, then the number nearest to one-third) and any other director who has held office for three years or more, but excluding the Managing Director, must retire from office but may stand for re-election. The Board confirms to shareholders at each AGM whether it supports the re-election of each retiring director in a statement that accompanies the Notices of Meeting.
- 3.4 When a Board vacancy occurs or where it is considered that there is a gap in necessary expertise, the Board reviews potential candidates, with advice from external consultants where considered necessary. The Board invites the most suitable candidate to join the Board as a casual vacancy until they are proposed for election by the Group's shareholders at the next AGM.

4. Board Conduct

- 4.1 The Board will at all times act honestly, fairly, diligently and in accordance with the Constitution and the law.
- 4.2 Directors are required to comply with Board policies in relation to disclosing and managing conflicts of interests, dealing in AKN securities and other rules adopted by the Board from time to time.
- 4.3 Each Director is expected to observe the highest standards of ethical behaviour and act in a manner consistent with AKN's core values and the *Code of Conduct*. Directors are expected to contribute towards a climate of trust and candour, foster a culture of open constructive discussion and dissent and exhibit individual accountability.
- 4.4 Directors may express their view on how a matter is being handled by management at any time by raising the issue with the Managing Director. The Managing Director will investigate the matter and discuss the outcome of his investigations with the relevant Director.

5. Responsibilities of the Board

5.1 Strategic Planning

- Approve, monitor and update the long term strategic plan for the Group, acknowledging that does not mean that the Board intends to manage the business, but is responsible for overseeing management and holding it to account.
- Oversee the processes management have in place to identify and manage business opportunities.
- Determine the extent and types of financial risk that are acceptable.
- Approve operational plans and budgets.
- Review with management how the strategic environment is changing, key issues that emerge and modify the strategic direction.

5.2 Financial Performance

- Evaluate, approve and monitor senior management's performance in the implementation and achievement of the Group's business objectives and financial strategies and plans.
- Approve all financial reports for the Group.
- Approve the distribution policy and distribution payments for the Group.
- Evaluate, approve and monitor annual budgets and business plans.
- Evaluate, approve and monitor all Group projects to a value in excess of executive delegated authorities.
- Approve any change to the capital structure of the Group.
- Approve and monitor the progress of major capital expenditure, capital management and acquisitions and disposals.

5.3 Risk Management

- Review material business risks, risk management strategies and relevant internal controls for the Group.
- Approve and monitor risk management resources, structures and processes.
- Approve and monitor compliance with corporate policies and protocols.
- Approve and monitor compliance with regulatory requirements.

5.4 Board and Executive Management

- Work with senior management as collaborators in advancing the interests of the Group.
- Nomination and selection process for appointment of non-executive directors to the Board.
- Induction programmes for non-executive directors.
- Succession plans for Board members.
- Appoint, monitor and evaluate the Executive Director and Managing Director.
- Succession planning for the Managing Director and the Chief Financial Officer.
- Where appropriate, ratify the terms of employment for members of the executive management team.
- Review and monitor policies and frameworks for paying and rewarding senior management.
- Approve employee and executive incentive schemes.
- Approve delegated authorities to management.

5.5 Corporate Values

- Set the style in relation to the reputation, status and positioning of the Group.
- Ensure the Group's values are articulated.
- Do the 'right things' in relation to the Group's stakeholders and the wider community.
- Maintain high standards of conduct, ethical behaviour and compliance.
- Approve and monitor adherence with Group policies and the *Code of Conduct*.

5.6 Board Committees

- Establish Board committees as it considers appropriate to assist in the execution of its functions including Audit and Risk, Remuneration and Nomination.

5.7 Reporting

- Approve recommended disclosure in the annual report and other published financial information.
- Approve any publicly available information about the Group policies.
- Approve any departures from the ASX best practice recommendations.

5.8 Conflicts of Interest

- Each director must act in the best interests of the Group and its security holders and comply with the requirements of section 8 of this Charter in relation to conflicts of interest.

5.9 Evaluating Board Performance

- Review the Board's role and composition.
- Review Board processes and the Committees appointed to support the Board.
- Review the Board's performance including the performance of its Committees and the performance of directors individually.

6. The Board and Management

- 6.1 The Board has delegated to the Managing Director responsibility for the day to day management of the Group and the implementation and delivery of the Board's strategic direction.
- 6.2 The Board delegates authority to the Managing Director and senior management in accordance with a formal delegation document.
- 6.3 The Board has implemented appropriate procedures to assess senior management's performance in conjunction with any established Remuneration Committee.

7. Role of Chair

- 7.1 The Chair is a non-executive director appointed by the Board.
- 7.2 The Board recognises the importance of ensuring that the Chair and the Managing Director have defined roles within the organisation and function within clear functional lines. Board policy is that the role of Chair and the role of Managing Director must be exercised by separate individuals.
- 7.3 The role and responsibilities of the Chair include:
 - providing leadership to the Board and ensuring the Board works effectively in discharging its responsibilities;
 - taking a leadership role in the formulation of Group policy and ensuring that the agenda is forward looking and concentrates on strategic matters;
 - lead the Board in the assessment of the Group's financial position and performance, the detection of any material adverse developments and the monitoring of management;
 - chairing Board meetings and meetings of members, including the AGM;
 - ensuring Board meetings occur with appropriate frequency and that there is sufficient time allowed for the discussion of all matters on the agenda;
 - encouraging the active engagement of all Board members through a full and frank exchange of views at Board meetings and ensuring that the views of all directors are heard;
 - assisting with the development of Board members and the effectiveness of the Board as a whole;
 - being the primary channel of communication between the Managing Director and the Board;
 - promoting consultative and respectful relations between the Board and management; and
 - monitoring Board performance annually.

8. Conflicts of Interest

- 8.1 Directors must:
 - disclose to the Board any actual or potential conflicts of interest which may exist as soon as they become aware of the issue;
 - take any necessary and reasonable measures to try and resolve the conflict; and
 - comply with the *Corporations Act 2001* requirements in relation to the disclosure of interests and restrictions on voting.

- 8.2 Unless the Directors decide to the contrary, if a conflict or potential conflict situation exists, the conflicted director will be excluded from all considerations of the matter by the Board including any segment of the Board papers or other documents containing any reference to the matter.
- 8.3 Directors are expected to advise the Chair of any proposed Board or executive appointment to other organisations as soon as practicable.
- 8.4 Refer to the Group's *Conflicts of Interest Policy* for further details.

9. Access to Information and Independent Advice

- 9.1 Directors may access such information and seek such independent advice as is considered necessary to fulfil their relevant Board duties and responsibilities.
- 9.2 Directors will be entitled to:
- full and free access to members of the senior management via the Executive Director at any time to discuss Board matters or request relevant and additional information; and
 - independent professional advice at the Group's expense with the prior approval of the Chair, which will not be unreasonably withheld.
- 9.3 Directors may share relevant information and advice received with the other directors where appropriate.

10. Board Meetings and Procedures

- 10.1 The Board will meet as often as is deemed necessary by the directors in order to fulfil their duties and responsibilities. A Director may at any time, and the Company Secretary must on the written request of a Director, convene a meeting of the Board.
- 10.2 A quorum for Board meetings is two directors entitled to vote.
- 10.3 The Board may with the approval of the Chair conduct meetings by telephone or videoconference provided that all Board members involved in the meeting are able to participate in discussion.
- 10.4 Directors must comply with their legal, statutory and equitable duties and obligations when discharging their responsibilities as directors.
- 10.5 All proceedings of the Board, including papers submitted and presentations made to the Board, will be kept confidential and will not be disclosed to any person other than Board members, except as required by law or as agreed by the Board.

11. Board Committees

- 11.1 The various powers, duties and responsibilities of the Board set out in this Charter may be delegated to one of more committees of the Board.
- 11.2 All Board committees will have a charter approved by the Board setting out the composition, duties and responsibilities of that committee.
- 11.3 Minutes of the proceedings of all meetings of Board committees will be maintained and copies of those minutes will be distributed to all directors at the next Board meeting following the committee meeting.

12. Review of Board Performance

12.1 The performance of the Board may reviewed annually by the Chair. The Remuneration Committee (if established) may also assist the Chair in evaluating the Board's performance.

12.2 The evaluation will:

- assess performance in terms of key Board functions and Board processes including the Board as a whole and Board committees;
- assess the role of the Board including Board structure and the way roles are executed;
- review Board performance in line with continuous improvement and assessment against established values, culture and reputation;
- assess performance in terms of corporate governance;
- ensure corporate values are well articulated and understood; and
- recommend any proposed amendments to Board policies and charters.

13 Publication of Charter

13.1 A copy of the Board Charter is available at www.aukingmining.com. The Charter is also made available to shareholders upon request.

All queries regarding issues raised in this policy should be directed to the Company Secretary

This Charter was approved by the Board in November 2014.