

KABUNI LTD.
Corporate Governance Policies
BOARD CHARTER

1. Board Charter

1.1 Role of the Board

The Board of Directors (the “**Board**”), directly and through its committees, is responsible for guiding and monitoring the Company on behalf of shareholders by whom they are elected and to whom they are accountable.

The Board is responsible for, and has the authority to determine all matters relating to the strategic direction, policies, practices, establishing goals for management and the operation of the Company.

The monitoring and ultimate control of the business of the Company is vested in the Board. The Board's primary responsibility is to oversee the Company's business activities and management for the benefit of the Company's shareholders. The specific responsibilities of the Board include:

- (a) overseeing the Company, including its control and accountability systems;
- (b) appointment, evaluation, rewarding and if necessary the removal of the Managing Director (or equivalent), the Company Secretary and senior management personnel;
- (c) ratifying the appointment, remuneration, and where appropriate, the removal, of senior executives;
- (d) in conjunction with members of the senior management team, develop corporate objectives, strategies and operations plans and approve and appropriately monitor plans, new investments, major capital and operating expenditures, use of capital, acquisitions, divestitures and major funding activities;
- (e) establishing appropriate levels of delegation to the executive Directors to allow them to manage the business efficiently;
- (f) monitoring actual performance against planned performance expectations and reviewing operating information at a requisite level, to understand at all times the financial and operating conditions of the Company, including the reviewing and approving of annual budgets;
- (g) monitoring the performance of senior management, including the implementation of strategy, and ensuring appropriate resources are available to them;
- (h) identifying areas of significant business risk and ensure that the Company is appropriately positioned to manage those risks;
- (i) overseeing the management of safety, occupational health and environmental matters;
- (j) 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;

- (k) satisfying itself that there are appropriate reporting systems and controls in place to assure the Board that proper operational, financial, compliance, and internal control processes are in place and functioning appropriately;
- (l) ensuring effective disclosure and communication with shareholders and the general public, and reviewing any policies related to such disclosure;
- (m) ensuring that appropriate internal and external audit arrangements are in place and operating effectively;
- (n) having a framework in place to help ensure that the Company acts legally and responsibly on all matters consistent with the code of conduct, including through adopting of a written code of conduct and a whistleblower policy; and
- (o) reporting accurately to shareholders, on a timely basis.

While at all times the Board retains full responsibility for guiding and monitoring the Company, in discharging its stewardship it may make use of committees. The Board has established the following committees:

- (a) Audit Committee,
- (b) Nomination Committee, and
- (c) Remuneration Committee, and

the Board may form other Committees at its discretion.

Each Director has the right to seek independent professional advice on matters relating to his position as a Director of the Company at the Company's expense, subject to the prior approval of the Chair, which shall not be unreasonably withheld.

In the event of a conflict of interest or where a potential conflict of interest may arise, involved Directors will, unless the remaining Directors resolve otherwise, withdraw from deliberations concerning the matter.

In accordance with the constitution of the Company, directors (other than the Managing Director) must offer themselves for re-election by shareholders at least every 3 years. The constitution does not specify a maximum term for which a Director may hold office.

The Board may not delegate its overall responsibility for the matters listed above. However, the responsibility for the day-to-day operation and administration of the Company may be delegated by the Board to the Managing Director. The Board will ensure that the Managing Director and the management team is appropriately qualified and experienced to discharge their responsibilities and has in place procedures to assess the performance of the Managing Director and executive Directors.

While there is a clear division between the responsibilities of the Board and management, 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 this is achieved including:

- (a) Board approval and monitoring of a strategic plan;
- (b) approval of annual and semi-annual budgets and monitoring actual performance against budget; and
- (c) procedures are in place to incorporate presentations at each Board meeting by financial, operations and marketing management, as appropriate.

1.2 Independent Directors

A majority of the directors on the Board, including any Chair of the Board, must be independent in accordance with applicable law. The Board must establish procedures to ascertain director independence and conflict of interest issues.

1.3 Role of the Chair

The Chair is responsible for the leadership of the Board, for the efficient organisation and conduct of the Board's functioning and for the briefing of all Directors in relation to issues arising at Board meetings. The Chair is also responsible for overall shareholder communication, chairing shareholder meetings, arranging Board performance evaluation, and presides over meetings of the Board. The Chair is responsible for leading and managing the Board in the discharge of its duties.

The Chair should facilitate the effective contribution of all Directors and promote constructive and respectful relations between directors and between the Board and management.

Any other position which the Chair may hold either within, or outside, the Company should not hinder the effective performance of the Chair in carrying out their role as Chair of the Company.

1.4 Role of the Managing Director

The roles of the Chair and Managing Director should not be combined except in particular circumstances, in particular where the size of the company necessitates the combining of the roles and is approved by the Board.

The Managing Directors' duties are to:

- (a) have the overall responsibility for running the affairs of the Company under delegated authority from the Board including undertaking and assessing risk management and internal control effectiveness and to implement the policies and strategies set by the Board. In carrying out his/her responsibilities, the Managing Director 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 condition and operational results;

- (b) devote the whole of his or her time, attention and skill during normal business hours and at other times as reasonably necessary, to the duties of the office;
- (c) be accountable for planning, coordinating and directing the operations of the company;
- (d) promote the interests of the Company; and
- (e) faithfully and diligently perform the duties and exercise the powers consistent with the position of a Managing Director of the Company and assigned by the Board.

In fulfilling his or her duties, the Managing Director:

- (a) reports directly to the Board;
- (b) provides prompt and full information to the Board regarding the conduct of the business of the Company; and
- (c) complies with reasonable directions given by the Board.

1.5 Role of the Company Secretary

The Company Secretary supports the effectiveness of the Board by monitoring that board policy and procedures are being followed, and by coordinating the timely completion and despatch of board agenda and briefing papers. The Company Secretary is accountable directly to the Board, through the Chair, on all matters to do with the proper functioning of the Board.

1.6 Roles of Directors and Officers

Individual Directors should devote the necessary time to the tasks entrusted to them. All Directors should consider the number and nature of their directorships and calls on their time from other commitments.

Directors and officers should be aware of their legal obligations.

This policy is reviewed annually.

1.7 Meetings

- (a) Meetings of the Board will be called, scheduled, and held pursuant to the Company's constating documents, including its articles, by-laws and any shareholder agreement, as well as pursuant to applicable law.
- (b) Quorum for a Board meeting will be a majority of the directors. All directors are expected to attend and be prepared to participate, including reviewing all meeting materials before every Board meeting.
- (c) The Board will provide at least 24 hours notice of a meeting, unless all members of the Board consent to another time period or waive notice.

- (d) The Chair of the Board will seek input from the directors and Company's management, when setting each Board meeting's agenda.
- (e) Any written material to be provided to directors for a Board meeting must be distributed in advance of the meeting to give directors time to review and understand the information. All material provided to directors will be relevant and concise.
- (f) Any member of senior management may, if invited by the Chair of the Board, attend, give presentations relating to their responsibilities and otherwise participate at Board meetings.
- (g) The Company Secretary will be the secretary of the meeting.
- (h) The Company Secretary will circulate minutes of all Board meetings to the Board and will ensure that all minutes of meetings, or written resolutions in lieu of a meeting, are filed in the Company's minute book.
- (i) The Board, the committees and each director will perform an annual self-assessment on its, his or her contribution and effectiveness. The Board and any committee will consider its charter, and any director will consider his or her position description, when performing a self-assessment.