



KINGSROSE
MINING LIMITED

ASSESSING THE INDEPENDENCE OF DIRECTORS

An independent Director is a Non-Executive Director who is not a member of management and who is free of any business or other relationship that could materially interfere with, or could reasonably be perceived to materially interfere with, the independent exercise of their judgement.

It is the Board's policy that in determining a Director's independence the Board considers the relationships which may affect independence as set out in Box 2.3 of the ASX Corporate Governance Council's *Corporate Governance Principles and Recommendations (3rd Edition)* as follows:

When determining the independent status of a Director the Board should consider whether the Director:

1. Is a substantial shareholder¹ of the Company or an officer of, or otherwise associated directly with, a substantial shareholder of the Company; or
2. Is employed, or has previously been employed in an executive capacity by the Company or another group member and there has not been a period of at least 3 years between ceasing such employment and serving on the Board; or
3. Receives performance-based remuneration (including options or performance rights) from, or participates in an employee incentive scheme of, the entity; or
4. Is, or has been within the last 3 years, in a material business relationship (e.g. as a supplier, professional adviser, consultant or customer) to the Company or another group member, or is an officer of, or otherwise associated with, someone with such a relationship; or
5. is, represents, or has been within the last three years an officer or employee of, or professional advisor to, a substantial holder; or
6. Has a material contractual relationship with the Company or another group member other than as a Director; or
7. Has been a director of the entity for such a period that his or her independence from management and substantial holders may have been compromised.

In each case, the materiality of the interest, position or relationship needs to be assessed by the Board to determine whether it may interfere, or might be seen to interfere, with the director's capacity to bring an independent judgement to bear on issues before the Board and to act in the best interests of the entity as a whole rather than in the best interests of an individual security holder or other party.

The Board notes that the mere fact that a Director has served on a Board for a substantial period does not mean that he or she has become too close to management to be considered non-independent. The Board will regularly assess whether that might be the case for any director who has served in that position for more than 10 years.

For the purposes of determining materiality, the Company discloses its Materiality Thresholds in its Board Charter.



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Prepared by:	Company Secretary
Approved by:	Board of Directors
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Review Frequency	Annually or as required

¹ For this purpose a “substantial holder” is a person with a substantial holding as defined in section 9 of the Corporations Act. (as at 30 June 2015 equals 5%)

