

## BOARD CHARTER

### 1 Purpose

The purpose of this Board Charter is to provide a corporate governance framework in accordance with the Constitution of Buru Energy Limited (“**Buru**” or “**the Company**”) and the *ASX Corporate Governance Council Corporate Governance Principles and Recommendations (4th Edition) (ACGPR)* in order to:

- Ensure that the Board provides effective oversight of management and strategic guidance for Buru.
- Clarify the respective roles and responsibilities of the Board, Chair, Chief Executive Officer (CEO), individual Directors and senior management, in order to facilitate accountability to Buru and its shareholders.
- Document the balance of authority so that no single individual within Buru has excessive powers.

### 2 Role of the Board

#### 2.1 General role of the Board

The Board’s primary purpose is to govern the Company on behalf of all shareholders. The Board’s specific job outputs are to maintain a link between the Company’s shareholders and its operations and to create and maintain governance policies that address the broadest levels of all decisions and situations.

The Board will ensure it demonstrates leadership by:

- acting in accordance with this Charter;
- defining the Company's purpose;
- approving the Company's Statement of Values and Code of Conduct to underpin the desired culture within the Company; and
- always acting in a manner consistent with the Company's culture, Code of Conduct and Statement of Values.

The mandate to lead Buru is placed by shareholders in the hands of the entire Board. The principles endorsed by the Board are as follows:

- No person within Buru, whether a Board member or a member of management, can have any authority unless the Board grants that authority;
- All Board members are accountable individually and as a whole for any lapses of performance or behaviour by Buru;
- The Board possesses authority only as a group. Individual Directors have no power unless specifically given by the Board collectively.

#### 2.2 Board Responsibilities

The Board’s primary responsibilities are setting the Company’s strategic direction and objectives and setting limitations on the means by which management may achieve those objectives.

Limitations on management are primarily imposed by approved corporate strategy and expenditure limits. The Board delegates to management the responsibility for developing the capability to achieve Buru's aims and objectives and employing that capability within the limitations and budgets set by the Board. The Board monitors and maintains this delegation by requiring regular reporting by management to the Board.

The Board delegates a portion of its authority through management limitations, policies and holding the CEO accountable. It also recognises in its policies, strategic direction and setting of objectives for management, its accountability to legal and ethical obligations and its broader responsibility to non-equity stakeholders and the community.

### 2.3 Composition of the Board

The composition of the Board is determined using the following principles:

- a minimum of three and no more than eight Directors, with extensive knowledge relevant to the conduct of the Company's business;
- a majority of independent Non-executive Directors;
- a non-executive independent Director as Chair (*note, however, that the Chair is not currently considered independent under ACGPR guidance as he has been an employee of the Company within the last three years*); and
- all Directors are subject to re-election every three years

The Board should, collectively, have the appropriate level of personal qualities, skills, experience and time commitment to properly fulfil its responsibilities or have ready access to such skills where they are not available.

The Board considers the mix of skills and the diversity of Board members when assessing the composition of the Board. The Board assesses existing and potential Directors' skills to ensure they have appropriate capabilities, experiences, skills and ability to add value to the Company's business as a whole. The composition of the Board is also assessed having regard to the Company's Diversity Policy, which is designed to promote and achieve diversity at all levels of Buru's business, including the Board.

The Board assesses the independence of each Director annually in light of any interests declared by them. Directors will be considered independent if they meet the definition of an 'Independent Director' in accordance with the ACGPR.

The Board also undertakes Board and Director evaluations in accordance with its [Board Renewal and Performance Evaluation Policy](#).

The Board has established Committees to assist it in carrying out its responsibilities. The Board has adopted charters setting out the purpose, membership, administration, role and responsibilities appropriate to each Committee.

### 2.4 Conduct of Directors

A Director or other officer of Buru who makes a business judgment will have met the requirements as a Director of Buru and their equivalent duties at common law and in equity, if they:

- make the judgment in good faith for a proper purpose;
- do not have a material personal interest in the subject matter of the judgment;

- inform themselves about the subject matter of the judgment to the extent they reasonably believe to be appropriate; and
- rationally believe that the judgment is in the best interests of Buru.

The Director's or officer's belief that the judgment is in the best interests of Buru is a rational one unless the belief is one that no reasonable person in their position would hold.

## 2.5 Role of the Chair

Under ACGPR the Chair of the Board should be an independent Director (*note, however, that the Chair is not currently considered independent under ACGPR as he has been an employee of the Company within the last three years*)

The Chair's role is a key one within the Company. The Chair is considered the "lead" Director and utilises his/her experience, skills and leadership abilities to facilitate the governance processes. There are two main aspects to the Chair's role. They are the Chair's role within the boardroom and the Chair's role outside the boardroom.

Inside the boardroom the role of the Chair is to:

- establish and approve the agenda for Board meetings in consultation with the CEO;
- chair Board meetings;
- ensure adequate time in Board meetings for discussion of all agenda items including strategic issues;
- be clear on what the Board has to achieve, both in the long and short term;
- provide guidance to other Board members about what is expected of them;
- facilitate effective contribution of all directors and promoting constructive and respectful relations between directors and between the Board and management;
- ensure that Board meetings are effective in that:
  - the right matters are considered during the meeting (for example, strategic and important issues);
  - matters are considered carefully and thoroughly;
  - all Directors are given the opportunity to effectively contribute; and
  - the Board comes to clear decisions and resolutions are noted.
- ensure that the decisions of the Board are implemented properly;
- ensure that the Board behaves in accordance with its Code of Conduct;
- the Chair has authority to act and speak for the Board between its meetings, including engaging with the CEO.

Outside the boardroom the role of the Chair is to:

- in conjunction with the CEO, undertake appropriate public relations activities;
- be the spokesperson for the Company at the AGM and in the reporting of performance and financial results;
- be the first point of contact between the Board and the CEO;

- be kept fully informed of current events by the CEO on all matters which may be of interest to Directors;
- regularly review with the CEO, and such other senior officers as the CEO recommends, progress on important initiatives and significant issues facing the Company; and
- provide mentoring for the CEO.

## 2.6 Role of the CEO

The CEO is responsible for the attainment of the Company's goals and vision for the future, in accordance with the strategies, policies, programs and performance requirements approved by the Board. The position reports directly to the Board.

If there is no CEO appointed at any given time, the Board will nominate a director to undertake the role/responsibilities assigned to the CEO under this Board Charter.

The CEO's primary objective is to ensure the ongoing success of the Company through being responsible for all aspects of the management and development of the Company. The CEO must have the industry knowledge and credibility to fulfil the requirements of the role. The CEO will manage a team of executives responsible for all functions contributing to the success of the Company, as required in relation to the size, nature and scale of the Company's activities.

The CEO's specific responsibilities will include:

- in conjunction with the Board, develop the Company's vision, values, and goals;
- responsibility for the achievement of corporate goals and objectives set by the Board;
- development of short, medium and long term corporate strategies and planning to achieve the Company's vision and overall business objectives;
- preparation of business plans and reports;
- advising the Board regarding the most effective organisational structure and oversee its implementation;
- assessment of business opportunities;
- responsibility for proposals for major capital expenditure to ensure their alignment with corporation strategy and justification on economic grounds;
- sustain competitive advantage through maximising available resources, encouraging staff commitment and strategically aligning the corporate culture with the organisation's goals and objectives;
- establish and maintain effective and positive relationships with Board members, shareholders, customers, suppliers and other government and business liaisons;
- act as key Company spokesperson;
- recommend policies to the Board in relation to a range of organisational issues including delegations of authority, consultancies and performance incentives;
- ensure statutory, legal and regulatory compliance and comply with corporate policies and standards;
- ensure appropriate risk management practices and policies are in place;
- develop and motivate direct reports and their respective teams;

- select and appoint key staff as and when required (direct reports); and
- ensure there is an appropriate staff appraisal system in place in the Company.

## **2.7 Role of the Individual Directors**

The role of individual Directors is to contribute to the Board's activities acting in accordance with the duties and obligations imposed on them and the Board by Buru's constitution and the law. This should be conducted to the best of their abilities, with the level of skill and care expected. They should discharge their duties in good faith and honestly in the best interests of the Company and use their powers for proper purpose. Directors should avoid conflicts of interest and not make improper use of information gained through their position. They should make reasonable enquiries to ensure that Buru is operating effectively, efficiently and legally toward achieving its objectives.

## **2.8 Role of the Company Secretary**

The Company Secretary is responsible for providing assistance to the Board with its administrative and statutory requirements. In particular the Company Secretary is responsible for the following:

- In consultation with the CEO preparation of the Board meeting agenda in a timely and effective manner for approval by the Chair.
- Ensuring that the Board papers are collated and delivered to the Board in a timely and effective manner.
- Organising and attending Board and shareholder meetings, and ensuring the correct procedures are followed.
- Drafting and maintaining minutes of Board and shareholder meetings.
- Working with the Chair to establish and maintain governance practices that meet the ASX requirements and recommendations.

All Directors will have access to the Company Secretary.

## **3 Responsibilities of the Board**

The Board is collectively responsible for the governance of the Company and for promoting its success. In addition to the matters required by law, the Board's responsibilities include:

- Ensuring the long-term viability of Buru and protecting and enhancing its financial position.
- Oversight and approval of Buru's corporate strategy and monitoring its implementation by management.
- Developing and approving Buru's Code of Conduct and Statement of Values.
- Approving and monitoring Buru's budget and corporate policies.
- Monitoring and assessing the operational and financial performance of Buru.
- Overseeing the risk management framework and monitoring of material business risks.
- Monitoring developments in the oil and gas industry and in the general business environment for their potential impact on Buru's operations.
- Monitoring compliance with Buru's legal and regulatory obligations.

- Reviewing and approving statutory financial statements, annual reports and other public documents.
- Establishing and maintaining all Policies required for the Company to meet its contractual and regulatory obligations.
- Ensuring that a system of internal controls is established and operating effectively.
- Monitoring and assessing Buru's compliance with ethical standards.
- Delegating appropriate levels of authority to management and approving any changes to delegated approvals.
- Ensuring that appropriate resources are available to senior executives.
- Appointment, succession, performance assessment, remuneration and dismissal of the CEO.
- Ratifying the appointment and, the removal of senior executives as appropriate as well as overseeing their remuneration, performance and succession planning.
- Ensuring that it is satisfied that the Company's remuneration policies align with the Company's purpose, values, strategic objectives and risk appetite.
- Appointment of the Company's external auditors.
- Appointment and reviewing the performance of Directors.
- Appointing of members to Board Committees.

#### **4 Delegation and Matters Retained to the Board**

The Board may not delegate its overall responsibilities for the matters listed above, but it may establish Board Committees as appropriate to assist with specific corporate governance duties. Board Committees will provide reports and recommendations to the Board as appropriate.

The Board delegates the management of the day to day running of the Company to senior management, but shall not delegate any of the following matters which are reserved for the Board or its Committees:

- The appointment of a Chair.
- The appointment and removal of the CEO.
- The appointment and removal of the Company Secretary.
- The appointment of Directors to fill a casual vacancy or as additional Directors.
- The establishment of Board Committees and delegation of authority to those Committees.
- The issue of securities, subject to the requirements of the law.
- The approval of dividends.
- The approval of corporate governance principles and policies.
- The approval of major capital expenditure, capital management, and acquisitions and divestitures.
- The calling of Board and Shareholder meetings.
- Other specific matters as nominated by the Board from time to time.

## 5 The Role and Responsibilities of Senior Management

The role of senior executives is to manage the Company effectively on a day to day basis and their responsibilities include:

- Acting as a conduit between the Board and the Company.
- Recommending corporate strategy to the Board for approval and implementation of Board approved corporate strategy.
- Managing the resources available to the Company to achieve its corporate strategy.
- Maintaining and implementing the Company's policies and procedures.
- Day to day responsibility for the Company's adherence with legal and compliance obligations.
- Awareness of relevant trends in the oil and gas industry and the general business environment for their potential impact on the Company's operations.
- Providing the information to the Board required for it to effectively discharge its responsibilities.

## 6 Assistance to Board to Fulfil Roles and Responsibilities

Board members will be assisted by the Company as required and reasonably necessary to fulfil their roles and responsibilities.

Each new Director will undergo a formal induction at the earliest opportunity to enable them to gain an understanding of the Company's financial, strategic, operational and risk management position and to participate fully and actively in Board decision-making.

Directors also have the opportunity to visit Company facilities and meet with management to gain a better understanding of business operations.

Directors are given access to continuing education and professional development opportunities to update and enhance their skills and knowledge.

This includes education concerning key developments in the Company and in the industry and environment within which the Company operates.

Each Director has the right to access all relevant Company information and to speak to and have access to management.

Subject to prior consultation with and approval by the Chair, each Director may seek independent professional advice in respect of the Company and the Board's affairs from a suitably qualified adviser at the Group's expense. A copy of the advice received by a Director in these circumstances will, subject to the Chair's discretion, be made available to all other members of the Board.

Buru will offer an indemnity to Directors under the terms of its constitution (Article 19.1).

## 7 Conduct of Board Meetings

Board meetings will be conducted in accordance with the constitution at least nine times a year at venues, dates and times agreed, where practical, in advance. In accordance with the constitution, a Chair will be appointed and the quorum for a meeting is three Directors.

The agenda for each Board meeting will be developed by the Company Secretary in consultation with the CEO and approved by the Chair.

Board papers will be distributed to Directors at least three business days before the meeting, unless the meeting has been called urgently. Board papers will contain the information required for the Directors to efficiently discharge their responsibilities and to make informed decisions.

The minutes of Board meetings will be circulated, approved and signed by the Chair within fourteen days.

Urgent matters that cannot wait until the next Board meeting can be dealt with by a circular resolution in accordance with Buru's Constitution. Circular resolutions should normally be preceded by telephone or email correspondence if practical and are to be approved by the Chair before being circulated. The resolution is passed when it is signed by the last of the Directors comprising the majority. Circular resolutions must be entered into the minute book.

The Board should meet in its principal area of activity at least once a year and should take that opportunity to engage with local stakeholders.

## **8 Reporting**

The Board must review the disclosure in the annual report and any other publicly available document regarding the explanation of any departures from the ACGPR. Decisions to deviate from these principles are to be approved by a resolution of the Board.

The Board will review and approve all publicly available corporate governance policies.

## **9 Communication**

This Charter will be communicated and promoted at all levels of the Company's business and will be disclosed on the Company's website for reference by external stakeholders.

## **10 Review of this Policy**

This Charter will be reviewed from time to time to ensure it remains effective and relevant to the needs of the Company. It can only be amended by resolution of the Board.

This Charter can be accessed via the Company website at <https://www.buruenergy.com/site/about-us/corporate-governance>.

Approved by the Board of Directors

Date: 1 January 2023