

BOARD CHARTER

1.0 PURPOSE

The purpose of this Board Charter is to provide a corporate governance framework in accordance with the Constitution of Buru Energy Ltd (“**Buru**” or “**the Company**”) and the ASX Corporate Governance Council’s *Corporate Governance Principles and Recommendations* 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, Executive Chairman, 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.

2.0 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 retains the responsibility for setting the Company’s strategic direction and objectives and for 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 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 Executive Chairman 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.

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. The Executive Chairman and individual Directors have no power unless specifically given by the Board collectively.

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.

2.1 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 Chairman (note however this is not currently complied with as set out below); and
- all Directors are subject to re-election every three years, except for the Managing Director (currently the functional role of the Executive Chairman).

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 ASX Corporate Governance Council Corporate Governance Principles and Recommendations.

The Board may establish Committees to assist it in carrying out its responsibilities. The Board will adopt charters setting out the purpose, membership, administration, role and responsibilities appropriate to each Committee.

2.2 Division of authority between the Chairman and the Managing Director

There is currently no division of authority between the Company's Chairman and Managing Director as both roles are undertaken by Mr Eric Streitberg as the Company's Executive Chairman. Mr Streitberg is a major shareholder of the Company and undertakes full time executive duties with the Company. Consequently his role as the Executive Chairman of the Company does not comply with ASX Recommendation 2.5 which states that the Chairman of the Board should be an Independent Director. This has been the arrangement following the restructure of the Buru Energy Board in 2014. The Company anticipates appointing a further Independent Director as it continues to restructure the Board and the plan is for the Chairman role to be undertaken by an Independent Director at an appropriate time.

2.3 Role of the Executive Chairman

The Executive Chairman is responsible for leadership of the Board and leadership of the business and managing it within the authorities delegated by the Board. In addition to his or her role as a Director, the particular responsibilities of the Executive Chairman include:

- Managing the Board and ensuring that it operates in an effective manner with high standards of corporate governance.
- Chairing Board meetings and General meetings of shareholders.
- Managing public relations generally and participating as appropriate in meetings with shareholders and the media.
- Working with the Company Secretary to set the agenda of Board Meetings and ensuring that the Board Meetings are run in an effective manner to promote effective decision making.
- Ensuring that all Non-executive Directors are kept informed of significant developments and seeking their advice where necessary.
- Establishment of any Board Committees.
- Proposing to the Board, after appropriate consultation with other Directors, candidates for potential appointment to the Buru Board in accordance with the Company's Board Renewal and Performance Evaluation Policy.
- Ensuring that the performance of the Board is evaluated in accordance with Company's Board Renewal and Performance Evaluation Policy.
- Ensuring proper succession planning for Directors and senior staff.
- Overseeing induction programmes for new Directors and ensuring that the development needs of existing Directors are met.
- Maintaining access to senior management as is necessary to fulfil the role of Executive Chairman.
- Promoting effective relationships amongst the Board.

- The running of the Buru business, subject to the strategic direction agreed with the Board and monitoring from the Board.
- Developing business strategy, seeking input from the Board as required.
- Ensuring that the flow of information to the Board is accurate, timely and clear.
- Working with management in making preparations for Board Meetings including appropriate reports and proposal papers for the information and consideration of the Board.
- Arranging implementation of Board decisions.
- Ensuring management operates within the defined authority limits set by the Board and ensuring management roles and responsibilities are clearly defined.
- Ensuring appropriate financing is available for the Company to conduct its business.
- Establishing and putting in place mechanisms for monitoring risk management and internal controls.
- Managing the Company's human resource requirements to ensure that the Company has the capabilities and resources required to achieve its plans.
- Supervising the activities of Buru's management personnel.
- Market and stakeholder communications, including compliance with Buru's continuous disclosure obligations in accordance with Buru's Continuous Disclosure and Market Communications Policy.
- Taking all appropriate steps to ensure that Buru complies with all relevant legislation.
- Any other matters included in the Executive Chairman's employment agreement.

All Directors will have access to the Executive Chairman.

2.4 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.

Individual Directors will serve on Board Committees as required.

2.5 Role of the Company Secretary

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

- Preparation of the agenda in a timely and effective manner for approval by the Executive Chairman.
- 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 Executive Chairman to establish and maintain governance practices that meet the ASX requirements and recommendations.

All Directors will have access to the Company Secretary.

3.0 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.
- 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 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 the Company's Continuous Disclosure and Market Communications Policy.
- Establishing a Diversity Policy and setting measurable objectives for achieving diversity.
- Ensuring that an effective 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 Executive Chairman.
- Ratifying the appointment and, the removal of senior executives as appropriate as well as overseeing their remuneration, performance and succession planning.
- Appointment of the Company's external auditors;
- Appointment and reviewing the performance of Directors.
- Appointing of members to Board Committees
- Approving major capital expenditure in excess of \$500,000 and acquisitions and divestitures.

4.0 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 Chairman (Article 11.5).
- The appointment and removal of the Managing Director (Article 10.8).
- The appointment and removal of the Company Secretary (Article 12.1).
- The appointment of Directors to fill a casual vacancy or as additional Directors (Article 11.8).
- The establishment of Board Committees and delegation of authority to those Committees (Article 10.6).
- The issue of securities, subject to the requirements of the law (Article 1).
- The approval of dividends (Article 15).
- 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.

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

6.0 ASSISTANCE TO BOARD TO FULFIL ROLES AND RESPONSIBILITIES

Board members will be assisted by Buru as required 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 Group facilities and meet with management to gain a better understanding of business operations. Directors are given access to continuing education opportunities to update and enhance their skills and knowledge.

Directors are encouraged to seek professional development opportunities to update and enhance their skills and knowledge. This includes education concerning key developments in Buru and in the industry and environment within which Buru 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 Executive Chairman, 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 Executive Chairman'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).

7.0 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 Chairman will be appointed and the quorum for a meeting is two Directors.

The agenda for each Board meeting will be developed by the Company Secretary in consultation with the Executive Chairman. 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 Executive Chairman within fourteen days.

Urgent matters that cannot wait until the next Board meeting can be dealt with by a circular resolution in accordance Buru's Constitution (Article 11.22). Circular resolutions should normally be preceded by telephone or email correspondence if practical and are to be approved by the Executive Chairman 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.

8.0 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 ASX Corporate Governance Council's *Corporate Governance Principles and Recommendations*. 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.

9.0 COMMUNICATION

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

10.0 REVIEW OF CHARTER

The Board will review this charter at least every two years.

Approved by the Board

Date: 25 September 2018