

BOARD RENEWAL AND PERFORMANCE EVALUATION POLICY

1.0 POLICY AIMS

The aim of this Board Renewal and Performance Evaluation Policy (“Policy”) is to record and communicate Buru Energy Limited’s (“Buru” or “Company”) commitment to maintaining an effective and proactive Board with the appropriate mix of qualifications, skills and experience required to enable it to effectively discharge its responsibilities.

Ultimately the Directors are elected by the shareholders of Buru. However, the Board plays an important role in the selection and recommendation of potential Directors for shareholder vote. The Board has delegated this function to the Remuneration & Nomination Committee (“The Committee”) who will make recommendations to the full Board concerning Board renewal as well as the evaluation of the performance of the Board and the individual Directors.

This policy sets out the processes followed by the Committee in relation to Board renewal and Board performance evaluation.

2.0 BOARD RENEWAL

2.1 Size and Composition of the Board

The Board is to be structured in such a way to ensure that it has the proper understanding of, and competence to deal with, the current and emerging issues of the business and encourages enhanced performance of the Company. The Board structure should be appropriate in relation to the Company’s size and operations as they evolve.

The Committee carries out the process of determining the need for, screening and appointing new Directors.

2.2 Commitment to the Board

Non-executive Directors shall provide to the Board, prior to their appointment or re-election, details relating to other significant commitments that they may have and an indication of the time involved with those other commitments.

All Directors should consider the number and nature of their directorships or any other significant commitments and the impact that these may have on their commitment to the Buru Board.

2.3 Director competencies

The full Board has developed a matrix that sets out the skills and competencies required of Directors in order for the Company to be managed effectively. The Committee reviews the matrix annually and assesses the skills and competencies of the Directors against it to identify any gaps or areas of weakness that may be addressed through the upskilling of existing Directors or the appointment of a new Director.

2.4 Appointment of Directors

The Committee will make recommendations to the full Board, who has the ultimate power to appoint a new Director to the Board either to fill a casual vacancy or as an addition to the existing Directors. That Director holds office until the conclusion of the next Annual General Meeting (“AGM”) of the Company but is eligible for election at that meeting. This does not apply to the Director appointed by the other Directors as the Managing Director (as at the date of this Policy, this is the Executive Chairman) who is exempt from retirement by rotation.

When considering potential candidates to be appointed as a new Director, the Committee shall take into account the following:

- (a) any identified gaps in the skills and experiences of the Board or particular skills or experience that will increase Board effectiveness;
- (b) length of tenure and succession plans;
- (c) experience;
- (d) independence; and
- (e) diversity.

2.5 Retirement of Directors

At each AGM there must be an election of a Director. The Directors who must retire from office (but are eligible to stand for re-election) at the AGM are as follows:

- (a) each Director who has held office without re-election:
 - beyond the third AGM following the Director’s appointment or last election; or
 - for at least three years,whichever is the longer period; and
- (b) each Director who has been appointed by the Board since the previous AGM to fill a casual vacancy or as an addition to the existing Directors; or
- (c) if neither (a) nor (b) applies, the Director who has served office longest without re-election. If there are two or more such Directors who have been in office for an equal length of time, the Director to retire will be determined by lot.

This does not apply to the Director appointed by the other Directors as the Managing Director (as at the date of this Policy, this is the Executive Chairman) who is exempt from retirement by rotation.

2.6 Informing Shareholders

Shareholders shall be informed of the names of candidates submitted for election as Directors. In order to enable shareholders to make an informed decision regarding the election, the following information shall be supplied with the notice of the AGM for each candidate eligible for election as a Director:

- (a) biographical details;

- (b) details of relationships between the candidate and the Company or other Directors;
- (c) directorships held;
- (d) particulars of other positions held by the candidate which involve significant time commitments;
- (e) the term of office currently served;
- (f) a statement by the Board as to whether it supports the nomination of the proposed candidate; and
- (g) any other particulars required by law.

2.7 New Directors

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. The formal induction will include information on:

- (a) the Company's culture, values and objectives;
- (b) the rights, duties and responsibilities of Directors;
- (c) the Company's organisational structure, including the roles and responsibilities of senior executives;
- (d) meeting arrangements; and
- (e) Director interaction with each other, senior executives and other stakeholders.

3.0 BOARD PERFORMANCE EVALUATIONS

3.1 Individual Directors (excluding Executive Chairman)

Annually, or at such other interval as agreed by the Committee as appropriate from time to time, the Chairman (as at the date of this Policy, this is the Executive Chairman) will conduct a performance evaluation of each Director. The evaluation of performance is based on the expectation that the Director is performing their duties in the interests of shareholders and in accordance with the requirements imposed on them by Buru's constitution and the law.

To assist in the effectiveness of these meetings, the Executive Chairman is provided with objective information about each Director including but not limited to the number of meetings attended and other current directorships. A report on the outcomes is provided to the Committee.

Non-Executive Directors when nominating for re-election are given the opportunity to submit a written or oral statement to the Committee giving reasons why they should be re-elected. This is evaluated by the Committee in the Non-Executive Director's absence.

3.2 Executive Chairman

Annually, or at such other interval as agreed by the Committee as appropriate from time to time, the Non-executive Directors will conduct a performance evaluation of the Executive Chairman with each individual Director given the opportunity to provide input. The Executive Chairman's performance is evaluated against the role approved by the full Board. The input from each Director is collated and a report on the outcomes is provided to the Committee.

3.3 The Board

Approximately every three years, or more frequently if appropriate, an evaluation of the performance of the full Board is to be undertaken by an external independent consultant. The external independent consultant is to seek input from each Director and senior management during this process. The results are discussed with the Executive Chairman who presents the assessment and any recommendations to the Committee.

Each year where there is not an external review, an internal review led by the Executive Chairman considers progress on any recommendations arising from the last external review together with any new issues that have arisen. The Executive Chairman reports the key findings from these evaluations to the Committee.

4.0 COMMUNICATION

This Policy will be communicated to all Directors of the Company. It will be made available to shareholders and other external stakeholders through the Company's website.

5.0 REVIEW OF POLICY

The Committee will review this Policy at least every two years.

Approved by the Board

Date: 25 September 2018