



warrego
energy

Warrego Energy Limited
ACN 125 394 667

WARREGO ENERGY LIMITED

BOARD CHARTER

BOARD CHARTER

In carrying out the responsibilities and powers set out in this Charter, the board of directors of the Company (**the Board**):

- a. recognises its overriding responsibility to act honestly, fairly, diligently and in accordance with the law in serving the interests of its shareholders; and
- b. recognises its duties and responsibilities to its employees, customers and the community.

1. THE SPECIFIC RESPONSIBILITIES OF THE BOARD

In addition to matters it is expressly required by law to approve, the Board has the following specific responsibilities:

- a. appointment, and where necessary, the replacement, of the Chief Executive Officer/Managing Director and other senior executives and the determination of their terms and conditions including remuneration and termination;
- b. driving the strategic direction of the Company, ensuring appropriate resources are available to meet objectives and monitoring management's performance;
- c. reviewing and ratifying systems of risk management and internal compliance and control, codes of conduct and legal compliance;
- d. approving and monitoring the progress of major capital expenditure, capital management and significant acquisitions and divestitures;
- e. approving and monitoring the budget and the adequacy and integrity of financial and other reporting including external audit;
- f. approving the annual, half yearly and quarterly accounts;
- g. approving significant changes to the organisational structure;
- h. approving the issue of any shares, options, equity instruments or other securities in the Company (subject to compliance with the ASX Listing Rules);
- i. procuring appropriate professional development opportunities for Directors to develop and maintain the skills and knowledge needed to perform their role as Directors effectively;
- j. ensuring that remuneration policies are aligned with purpose, values, strategic objectives and risk appetite and approving the Company's remuneration framework;
- k. ensuring a high standard of corporate governance practice and regulatory compliance, providing leadership on culture and values and promoting ethical and responsible decision making;
- l. recommending to shareholders the appointment of the external auditor as and when their appointment or re-appointment is required to be approved by them (in accordance with the ASX Listing Rules); and
- m. meeting with the external auditor, at their request, without management being present.

2. COMPOSITION OF THE BOARD

- a. The composition of the Board is to be reviewed regularly against the Company's position and circumstances (and board skills matrix if a board skills matrix is adopted) to ensure the appropriate mix of skills and expertise is present to facilitate successful strategic direction.
- b. In appointing new members to the Board, consideration is given to the ability of the appointee to contribute to the ongoing effectiveness of the Board, to exercise sound business judgement, to commit the necessary time to fulfil the requirements of the role effectively and to contribute to the development of the strategic direction of the Company.
- c. Where practical, the majority of the Board is comprised of non-executive Directors. Where practical, at least 50% of the Board will be independent. An independent Director is a director who is free of any interest, position, association or relationship that might influence, or reasonably be perceived to influence, in a material respect his or her capacity to bring an independent judgement to bear on issues before the board and to act in the best interests of the entity and its security holders generally. Independent Directors should meet the definition of what constitutes independence as set out in the ASX Corporate Governance Council's *Corporate Governance Principles and Recommendations*.
- d. Directors must disclose their interests, positions, associations or relationships. The independence of the Directors should be regularly assessed by the Board in light of the interests disclosed by them.
- e. The Board must disclose the independence of each Director as determined by the Board.
- f. Directors are expected to bring their independent views and judgement to the Board and must declare immediately to the Board any potential or active conflicts of interest.
- g. Directors must declare immediately to the Board, and the Board will determine whether to declare to the market, any loss of independence.
- h. No member of the Board may serve for more than three years or past the third annual general meeting following their appointment, whichever is the longer, without being re-elected by the shareholders.
- i. Prior to the Board proposing re-election of non-executive Directors, their performance will be evaluated by the Nomination Committee to ensure that they continue to contribute effectively to the Board.
- j. The Board should comprise Directors with a mix of qualifications, experience and expertise which will assist the Board in fulfilling its responsibilities, as well as assisting the Company in achieving growth and delivering value to shareholders.
- k. The Board must disclose the relevant qualifications and experience of each Board Member.

3. THE ROLE OF THE CHAIRMAN

- a. Where practical, the Chairman should be a non-executive Director. If a Chairman ceases to be an independent Director then the Board will consider appointing a lead independent Director.
- b. Where practical, the Chief Executive Officer/Managing Director should not be the Chairman of the Company during his term as Chief Executive Officer/Managing Director or in the future.
- c. The Chairman must be able to commit the time to discharge the role effectively.
- d. The Chairman is responsible for the leadership of the Board, ensuring it is effective, setting the agenda of the Board, conducting the Board meetings and conducting the shareholder meetings.
- e. The Chairman should facilitate the effective contribution of all Directors and promote constructive and respectful relations between Board members and management.
- f. In the event that the Chairman is absent from a meeting of the Board then the Board shall appoint a Chairman for that meeting.

4. BOARD COMMITTEES

- a. The Board will establish the following committees, each with written terms of reference:
 - i. Audit Committee; and
 - ii. Remuneration and Nomination Committee.
- b. The charter of the Committees is approved by the Board and reviewed following any applicable regulatory changes.
- c. The Board will ensure that the Committees are sufficiently funded to enable them to fulfil their roles and discharge their responsibilities.
- d. Members of Committees are appointed by the Board. The Board may appoint additional Directors to Committees or remove and replace members of Committees by resolution.
- e. The Board must disclose the members and Chairman of each Committee.
- f. The minutes of each Committee meeting shall be provided to the Board at the next occasion the Board meets following approval of the minutes of such Committee meeting.
- g. The Board must disclose, in relation to each reporting period relevant to a Committee, the number of times each Committee met throughout the period and the individual attendances of the members at those Committee meetings.
- h. Where the Board does not consider that the Company will gain any benefit from a particular separate committee, the full Board will carry out the duties that would ordinarily be assigned to that committee under the written terms of reference for that committee.

5. BOARD MEETINGS

- a. The Directors may determine the quorum necessary for the transaction of business at a meeting, however, until otherwise determined, there must be two Directors present at a meeting to constitute a quorum.
- b. The Board will schedule formal Board meetings at least quarterly and hold additional meetings, including by telephone, as may be required.
- c. Non-executive Directors may confer at scheduled times without management being present.
- d. The minutes of each Board meeting shall be prepared by the Company Secretary, approved by the Chairman and circulated to Directors after each meeting.
- e. The Company Secretary shall distribute supporting papers for each meeting of the Board as far in advance as practicable.
- f. Minutes of meetings must be approved at the next Board meeting.
- g. Further details regarding board meetings are set out in the Company's Constitution.

6. THE COMPANY SECRETARY

- a. When requested by the Board, the Company Secretary will facilitate the flow of information of the Board, between the Board and its Committees and between senior executives and non-executive Directors.
- b. The Company Secretary is accountable directly to the Board, through the Chair, on all matters to do with the proper functioning of the Board.
- c. The Company Secretary is to facilitate the induction and professional development of Directors.
- d. The Company Secretary is to facilitate and monitor the implementation of Board policies and procedures.
- e. The Company Secretary is to provide advice to the Board on corporate governance matters, the application of the Company's Constitution, the ASX Listing Rules and applicable other laws.
- f. All Directors have access to the advice and services provided by the Company Secretary.
- g. The Board has the responsibility for the appointment and removal of the Company Secretary.

7. ACCESS TO ADVICE

- a. All Directors have unrestricted access to company records and information except where the Board determines that such access would be adverse to the Company's interests.
- b. All Directors may consult management and employees as required to enable them to discharge their duties as Directors.
- c. The Board, Committees or individual Directors may seek independent external professional advice as considered necessary at the expense of the Company, subject to prior consultation with the Chairman. A copy of any such advice received is made available to all members of the Board.

8. THE BOARD'S RELATIONSHIP WITH MANAGEMENT

- a. The role of management is to support the Chief Executive Officer/Managing Director and implement the running of the general operations and financial business of the Company, in accordance with the delegated authority of the Board.
- b. The Board shall delegate responsibility for the day-to-day operations and administration of the Company to the Chief Executive Officer/Managing Director.
- c. In addition to formal reporting structures, members of the Board are encouraged to have direct communications with management and other employees within the Group to facilitate the carrying out of their duties as Directors.

9. PERFORMANCE REVIEW

The Board shall conduct an annual performance review of the Board of Directors that:

- a. compares the performance of the Board with the requirements of its Charter;
- b. critically reviews the mix of the Board; and
- c. suggests any amendments to the Charter as are deemed necessary or appropriate.

10. DISCLOSURE POLICY

The Board should ensure that the Company has in place effective disclosure policies and procedures so that shareholders and the financial market are fully informed to the extent required by the applicable disclosure rules and legislation on matters that may influence the share price of the Company or its listed debt securities.

Approved by the Board of Directors Date: 24 September 2020.

warregoenergy.com

