

## **Board Charter**

Emperor Energy Limited

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**EMPEROR ENERGY**  
L I M I T E D

# **Board Charter**

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## **1. Introduction**

- 1.1. Emperor Energy Resources Limited (the Company) is committed to the highest standards of corporate governance and aspires to continuous improvement in its governance performance.
- 1.2. The directors of the Company have been elected by the shareholders and are accordingly authorised to manage the business of the Company in accordance with the Company's Constitution and the law. This Board Charter (Charter) should be read alongside the Company's Constitution.

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## **2. Purpose**

- 2.1. This Charter sets out the role, responsibilities and structure of the Board, including its Committees and relationships with the Chief Executive Officer, management and shareholders, and processes and procedures relating to these.
- 2.2. The Board is accountable for the performance of the Company. The Board has adopted the following overarching governance objectives to:
  - (a) Lay solid foundations for management and oversight.
  - (b) Achieve high standards of transparency and ethical and responsible decision-making.
  - (c) Structure the Board to add value.
  - (d) Act ethically and responsibly.
  - (e) Safeguard integrity in its financial reporting.
  - (f) Make timely and balanced disclosure
  - (g) Respect the rights of security holders
  - (h) Recognise and manage risks.
  - (i) Remunerate fairly and responsibly.
  - (j) Promote a corporate culture that upholds agreed Company values.

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## **3. Board Role and Responsibilities**

- 3.1. The Role of the Board is to act in the best interests of the Company as a whole and it is accountable to shareholders to guide the overall strategy, culture, governance and performance of the Company, working with and through the Chief Executive and management team.

- 3.2. In carrying out its duties and responsibilities as set out in this Charter, the Board will at all times recognise its overriding responsibility to act honestly, fairly, diligently and in accordance with the law.
- 3.3. The Board ensures that the activities of the Company comply with its Constitution, from which it derives its authority to act. It also ensures compliance with other legal and regulatory compliance. To achieve this, the Board has reserved to itself the following specific responsibilities.
- (a) Provide leadership, set corporate strategy and performance objectives.
  - (b) Ensure appropriate resources are available to meet objectives and monitoring management's performance.
  - (c) Approve and annually review all corporate policies under Board authority including all relevant governance practices, policies and procedures.
  - (d) Oversee management's implementation of strategic objectives, compliance with corporate policies and performance generally.
  - (e) Determine the Company's dividend policy, the amount and timing of all dividends and the operation of the Company's dividend reinvestment plan (if any).
  - (f) Meet governance and management needs of the Company, including appointing, removing, and evaluating the performance of the Chair, Company Secretary, Chief Executive and other senior management as required.
  - (g) Ensure the Company meets its obligations to shareholders as a listed company, including by providing timely and balanced corporate disclosures.
  - (h) Understand the material risks faced by the Company and ensure the Company has appropriate risk management strategies and control measures in place and is actively managing these.
  - (i) Oversee the integrity of the Company's accounting and corporate reporting systems, including the external audit. Ensuring the Company maintains a commitment to promoting diversity in the workplace.
  - (j) Approve and monitor financial and other reporting requirements.
  - (k) Recommend to shareholders the appointment of the external auditor as and when their appointment or re-appointment is required to be approved by them.
  - (l) Approve and monitor the progress of any major commercial investments or capital expenditure.
  - (m) Approve all major acquisitions, divestitures and other corporate transactions, including the issue of securities.
  - (n) Approve the Company's annual operational budget.
  - (o) Approve the Company's remuneration framework.
  - (p) Review and approve all disclosures related to any departures from the ASX Corporate Governance Principles and Recommendations.

- (q) Procure appropriate professional development opportunities for Directors to develop and maintain the skills and knowledge needed to effectively perform their roles as Directors
  - (r) Review and evaluate its own performance, the performance of its Committees (if any), and the performance of individual Directors on an annual basis against both measurable and qualitative indicators in conjunction with the Remuneration and Nomination Committee (if any).
  - (s) Perform such other functions as are required by law or are assigned to the Board.
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#### **4. Ethics and Behaviour**

- 4.1. Board members are expected to uphold high standards of ethical behaviour and to hold management accountable for ensuring compliance with the Company's Code of Business Conduct and Ethics throughout the organisation.
  - 4.2. Directors are also subject to the Company's Code of Business Conduct and Ethics.
  - 4.3. Directors should bring independent judgement to bear on all Board decisions and, except as permitted by law and disclosed to shareholders, act in the best interests of the Company, ahead of any other interests.
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#### **5. Confidentiality**

- 5.1. In order to enable full and frank discussions, all discussions at meetings of the Board are to be considered confidential and are not to be disclosed outside of the meeting except to the extent:
    - (a) Required by the Corporations Act 2001 (Cth), the ASX Listing Rules, the Company's Constitution; or
    - (b) Approved by the Board.
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#### **6. Conflicts of Interest**

- 6.1. Directors are required to take all reasonable steps to avoid actual, potential or perceived conflicts of interest, as outlined in the Directors' Interests Policy.
- 6.2. Directors are required to disclose any conflicts of interest and to abstain from voting on matters in which they have a material personal interest.

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## **7. Director's Responsibilities**

- 7.1. Directors are expected to attend and participate in Board meetings and meetings of committees on which they serve.
- 7.2. Directors are expected to spend the time needed, and meet as often as necessary, to properly discharge their responsibilities.
- 7.3. Directors are expected to review meeting materials before Board meetings and committee meetings.
- 7.4. 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.
- 7.5. 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.
- 7.6. Directors must immediately declare to the Board, and the Board will determine whether to declare to the market, any loss of independence.
- 7.7. Directors must keep Board information, discussions, deliberations and decisions that are not publicly known, confidential.
- 7.8. Directors must comply with their legal duties when discharging their responsibilities as directors. Broadly, these duties are to:
  - (a) to act in good faith and in the best interests of the Company;
  - (b) act with care and diligence;
  - (c) act for proper purposes;
  - (d) declare and manage any conflict of interest or duty; and
  - (e) refrain from making improper use of information gained through the position of director or taking improper advantage of the position of director.
- 7.9. Each Director is bound by all the Company charters, policies and codes of conduct, including without limitation:
  - (a) the Company's Code of Conduct;
  - (b) the Company's Securities Trading Policy;
  - (c) the Company's Continuous Disclosure Policy and
  - (d) the Company's Whistleblower Policy.

- (e) 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.
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## **8. Committees of the Board**

- 8.1. The Board may from time to time establish appropriate Committees to assist it by focusing on specific responsibilities, reporting back to the Board and making any necessary recommendations.
  - 8.2. The Board shall consider annually the appropriateness, structure and performance of Committees of the Board.
  - 8.3. The Board has established the following Committees:
    - (a) Audit and Risk Committee.
    - (b) Remuneration and Nominations Committee.
    - (c) Health, Safety, Security, Sustainability and Operational Risk Committee.
  - 8.4. Each formally constituted Committee has a Charter, approved by the Board and reviewed annually. The Board has sole responsibility for the appointment of directors to Committees and expects that, over time, directors may rotate on or off various Committees as the needs of that Committee change.
  - 8.5. Any director is entitled to attend a meeting of a Committee if that director so wishes, except that non-Audit Committee members may only attend Audit Committee meetings at the invitation of the Audit Committee.
  - 8.6. The Board may also delegate specific functions to ad hoc Committees as required. The powers delegated to these Committees are set out in Board resolutions.
  - 8.7. The level of non-executive director remuneration will be set by the Remuneration and Nominations Committee. The remuneration payable to any member of a Committee will be determined by the Board after receiving and considering the recommendation of the of the Remuneration and Nominations Committee.
  - 8.8. All Committee Charters are available on the Company's website.
  - 8.9. Although the Board may delegate powers and responsibilities to these committees, the Board retains ultimate accountability for discharging its duties.
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## **9. Management Role and Responsibilities**

- 9.1. While the Board has overall and final responsibility for the business of the Company, it has delegated responsibility for the day-to-day management of the business and implementation of strategic objectives to the Chief Executive and management team.

- 9.2. The Board has established formal limits on the scope of management's delegated authority to provide clarity to the Chief Executive and management and to allow them to carry out the business of the Company and its subsidiaries in an efficient and effective manner within the parameters of proper corporate governance. These limits are set out in the Delegation of Authority policy, compliance with which is monitored by the Board through the Audit Committee's audit function.
- 9.3. The Board expects management to manage the business of the Company in accordance with all relevant corporate policies and procedures and to provide high quality, succinct and timely reports, clear and concise decision papers and comprehensive analysis of the performance of the Company, to enable the Board to exercise its governance duties.
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## **10. Role and Responsibility of the Chair**

- 10.1. The Chair of the Company should be an independent non-executive director and will be selected on the basis of relevant experience, skill, judgement and leadership abilities to contribute to the effective direction of the Company.
- 10.2. If at any time the Company has a Chair who is not independent, the Board will consider appointing a lead independent director.
- 10.3. The Chair is responsible for:
- (a) Leading the Board in reviewing and discussing Board matters.
  - (b) Chairing Board meetings and shareholder meetings, including setting the agenda for Board meetings (in consultation with the other Directors and Company Secretary).
  - (c) Ensuring the efficient organisation and conduct of the Board's function.
  - (d) Briefing all directors in relation to issues arising at Board meetings.
  - (e) Facilitating effective contribution by all directors and monitoring Board performance.
  - (f) Promoting constructive and respectful relations between Board members and between the Board and management.
  - (g) Overseeing the Company Secretary, including reviewing corporate governance matters and reporting them to the Board.
  - (h) On the advice of the Remuneration and Nominations Committee, establishing and overseeing the implementation of policies and systems for Board performance review and renewal.
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## **11. Role and Responsibility of the Company Secretary**

The Company Secretary acts as secretary of the Board, attending all meetings of the Board as required. The Company Secretary is accountable directly to the Board, through the Chair on all matters to do with the proper functioning of the Board.

The Company Secretary is responsible for:

- Advising the Board and its Committees on governance matters.
- Monitoring that Board and Committee policies and procedures are followed.
- Co-ordinating the timely completion and dispatch of Board and Committee papers.
- Ensuring that the business at Board and Committee meetings is accurately captured in the minutes.
- Organising and facilitating the induction and professional development of directors.

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## **12. Relationship with Shareholders**

- 12.1. The Board is committed to building positive relationships with shareholders of the Company. To this end, the Board will:
- (a) Continuously review commercial, governance, political or other external matters that may impact on the development of the business or interests of shareholders, and if necessary, may take expert advice on these matters.
  - (b) Communicate with shareholders, primarily through Annual General Meeting, timely releases to the market, and by meeting ASX reporting requirements including annual and quarterly results.
  - (c) Maintaining an up-to-date website which provides shareholders with information about the Company, its business and affairs.

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## **13. Appointment and Structure of the Board**

- 13.1. The Board will determine the size and composition of the Board, subject to the Company's Constitution (which provides that there can be a minimum of 3 directors and no more than 7 directors) and relevant listing rules, and after consideration of any recommendations of the Remuneration and Nominations Committee. The majority of the Board should be independent directors.
- 13.2. While the Company will aim to have an appropriate contingent of independent non-executive Directors from time to time, it is not currently and may not in the future be practicable to have majority of the Directors made up of independent directors. In considering the appropriate make up of the Directors from time to time, account will be given to, among other things, whether or not the Company has at the time a shareholder that holds a majority of the shares in the Company. The Shareholders will ultimately have absolute discretion to determine the appropriate composition of the Board from time to time, subject to the Constitution, the Corporations Act 2001 (Cth) and the ASX Listing Rules.
- 13.3. The roles of Chief Executive and Chair of the Board should not be exercised by the same individual.



- 13.4. The roles of Chief Executive and Chair of the Board should not be exercised by the same individual.
  - 13.5. The Board invites director nominations from security holders on an annual basis. The continued tenure of each individual director is subject to re-election from time to time, in accordance with the constitution.
  - 13.6. After receiving and considering the recommendation of the Remuneration and Nominations Committee, the full Board considers nominations and new appointments to ensure that the Board is comprised of individuals who are able to discharge the responsibilities of directors in accordance with the law and high corporate governance standards.
  - 13.7. In order to identify any gaps in the collective skills of the Board, the Board should, with the assistance and advice of the Remuneration and Nominations Committee, establish a skills matrix setting out the mix of skills and diversity the Board has or is looking to achieve.
  - 13.8. Each Director is appointed by a formal letter of appointment setting out the terms and conditions of his / her appointment to ensure that each Director clearly understands the Company's expectations on him or her.
  - 13.9. The continued tenure of each individual Director is subject to re-election from time to time, in accordance with the Company's Constitution.
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## **14. Board Induction and Education**

- 14.1. All new directors appointed to the Board will undertake an induction programme coordinated by the Company Secretary, which introduces directors to the Company, its business and the industry it operates in.
  - 14.2. Directors are able, at the Company's expense, to undertake appropriate professional development to ensure they have the skills required to effectively perform their duties (including training on key developments in the industry and environment within which the company operates and health and safety).
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## **15. Independence**

- 15.1. All Directors, whether independent or not, should bring an independent judgement to bear on all Board decisions.
- 15.2. Where this Charter, the Constitution, the Corporations Act 2001 (Cth) or the ASX Listing Rules requires one or more "independent" directors, the following criteria are to be considered by the Board to determine if the relevant person is independent. 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. When determining the independent status of a director, the Board will consider whether the director:

- 15.3. is a substantial shareholder of the Company (that is, holds 5% or more of the issued voting shares of the Company) or an officer of, or otherwise associated directly with, a substantial shareholder of the Company;
- (a) 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 three years between ceasing such employment and serving on the Board;
  - (b) has within the last three years been a partner, director or senior employee of a material professional adviser or a material consultant to the Company or another Group member, or an employee materially associated with the service provided;
  - (c) is a material supplier or customer of the Company or other Group member, or an officer of or otherwise associated directly or indirectly with a material supplier or customer;
  - (d) has a material contractual relationship with the Company or another Group member other than as a director of the Company;
  - (e) has any close family ties with any person who falls within any of the categories described above; or
  - (f) has been a director of the Company for such a period that his or her independence may have been compromised.
- 15.4. The Board should regularly assess whether a non-executive director is 'independent' in accordance with the above criteria.
- 15.5. Non-Executive directors will periodically meet without executive directors or management present.

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## **16. Access to Advice**

- 16.1. Any director may, with the prior consent of the Chair of the Audit Committee (or in the case of the Chair of the Audit Committee, the prior consent of the Chair of the Board), obtain independent advice at the Company's expense where the director considers it necessary to carry out their duties and responsibilities as a director. Such consent shall not unreasonably be withheld.
- 16.2. All directors are entitled to the benefit of the Company's standard Deed of Access, Indemnity and Insurance which provides ongoing access to Board papers and, at the Company's expense, Directors and Officer's Insurance for seven years after the director leaves the Board.
- 16.3. Directors also have complete access to the Company's management through the Chair, Chief Executive Officer or Company Secretary at any time. In addition to regular presentations by management, directors may seek briefings from management on specific matters.
- 16.4. The Board may request or invite management or external consultants to attend Board meetings, where necessary or desirable.

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## **17. Board Performance Review**

- 17.1. The Board shall undertake annual reviews of the operations and performance of the Board, its Committees and individual directors. Where appropriate, the Board may engage external consultants to conduct this review.
- 17.2. In addition to compliance with each Committee's individual Charter, the review shall consider:
  - (a) the skills required by the Board, including processes to satisfy any skill-gaps;
  - (b) how the required skills are best represented on the Board; and
  - (c) the process for identifying suitable candidates for appointment to the Board.
- 17.3. Reviews are undertaken by way of a questionnaire submitted to the directors. Responses are collated and reviewed by the Chair of the Remuneration and Nominations Committee or delegated representative. The Chair Remuneration and Nominations Committee (or delegated representative) then undertakes an overall review on the outcomes and produces a written report which is reviewed by the full Board. Individual director performance is addressed by one-on-one review with the Chair Remuneration and Nominations Committee (or delegated representative). The Chair will conduct the review of the Chair of the Remuneration and Nominations Committee.

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## **18. Continuous Disclosure**

- 18.1. The Board has adopted a policy related to the continuous disclosure obligations of the Company under the ASX Listing Rules. The Company Secretary will oversee the implementation of that policy and the Board will consider continuous disclosure as a standing item at Board meetings.

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## **19. Communication of Information**

- 19.1. The Board will:
- (a) communication effectively with shareholders;
  - (b) give shareholders ready access to relevant and timely information about the Company; and
  - (c) make it feasible for shareholders to participate in general meetings.

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## **20. Corporate Governance**

- 20.1. As required, the Board will, with the advice and assistance of the Audit and Risk Committee, review and evaluate the performance and effectiveness of the Company's corporate governance policies and procedures and, if appropriate, amend those policies and procedures. Where appropriate, the Board may engage external consultants to conduct this review.

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## **21. Review of Charter**

- 21.1. The Board is responsible for reviewing the effectiveness of this Charter annually and approving any amendments required.

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## **22. Approved and Adopted**

- 22.1. This Policy was approved and adopted by the Board on 28 September 2021.