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**Energy Developments Limited**  
**(“Company”)**  
**A.C.N. 053 410 263**

**BOARD AND GOVERNANCE CHARTER**

This documents sets out the principles of governance of the Company and the conduct of the Board. It is supported by the following specific charters and policies:

Code of Conduct

Continuous Disclosure Policy

Securities Trading Policy

Risk Management Policy

Audit and Risk Committee Charter

Remuneration Committee Charter

Privacy Policy

**Commitment**

The Company and the Board are committed to the achievement of high standards of integrity and governance in all aspects of the Company’s activities. The principal obligation of the Company is to its shareholders through increasing shareholder wealth, and this is to be sought while commensurately recognising the interests of employees, customers, creditors, the communities in which the Company operates, and other stakeholders.

**Role of the Board**

The key responsibilities of the Board are to:

- Review, advance and approve the Company’s:
  - objectives and strategies,
  - plans, budgets and investments, and
  - capital management.
- Monitor the Company’s businesses, financial performance and corporate governance.
- Oversee the financial position of the Company.
- Report to shareholders.
- Ensure effective control, accountability and compliance systems are in place.
- Appoint, and appraise, the Managing Director (“MD”).
- Review risk and compliance policies and procedures.
- Oversee the senior management team in terms of:
  - review of performance evaluation;
  - succession planning; and
  - remuneration.
- Establish a culture of high ethical, environmental, health and safety standards.
- Ensure the Board is effective.

## **Role of Management**

The business of the Company is managed by the Managing Director, as appointed by the Board, and by those other officers and employees to whom the management function is properly designated by the MD.

A position description for the MD, and any other executive director, is developed and agreed between the Board and MD, along with periodic statements of the objectives of the MD.

## **Board Membership**

As required by law, each Director (except the Managing Director) must not hold office (without re-election) past the third annual general meeting following the director's appointment or 3 years whichever is the longer.

## **Board Nomination**

Nominations for directorship are considered by the Board as a whole. The Board aims to ensure that it always has an appropriate diversity of qualifications, experience and expertise, consistent with the objectives of the Company.

- Suitable candidates for the Board are identified for appointment having regard to the skills desired and skills represented.
- A formal letter of appointment is issued to all directors.
- At least every two years the Chairman conducts a performance review of the Board focused on:
  - the overall effectiveness and competencies of the Board,
  - the availability and contribution of each individual director,
  - effectiveness of directors' training and orientation, and
  - succession planning.

## **Board Procedures**

- Each director is expected to declare any actual or potential conflict of interest.
- Where conflicts may arise, affected directors absent themselves from Board deliberation and decisions.
- Particular care is taken to ensure this policy is applied in relation to the directors who may be, or be associated with, substantial shareholders.
- Non-executive directors may meet in private.
- Independent Non-executive directors may also meet in private.
- Where reasonably necessary, directors may obtain independent advice with prior notification to the Chairman.
- Directors are expected to be familiar with the Company's strategy, operations, financing and risks; the Company arranges suitable orientation and training.
- Directors may access continuing education to ensure their skills and knowledge are up to date.
- Directors have a right to expect all information relevant to the Company's business and performance to be presented at Board meetings, and can access further information on request.
- Unless otherwise approved by the Board, Directors are to maintain confidentiality of information learned by virtue of their position as director.

- Non-executive directors confirm they are able to devote such time as is necessary to carry out their duties on the Board.
- Directors advise the Chairman prior to accepting new appointments.

### **Company Secretary**

In recognition of the key role played by the Company Secretary:

- The appointment of the Company Secretary is approved by the Board.
- All Directors have direct access to the Company Secretary.
- The Company Secretary monitors the Company's corporate governance procedures, and advises of possible improvements.

### **Standards and Code of Conduct**

It is the objective of the Board to foster a culture of high ethical and compliance standards. To this end:

- Directors must act honestly, in good faith, with high standards of care, diligence and enquiry, and in the best interests of the Company as a whole.
- All Directors and employees must abide by the Company's Code of Conduct.
- Directors and senior management must not use their position to trade in the Company's securities, with all transactions being in accordance with the Company's Securities Trading Policy.

### **Financial Standards**

- The Company is committed to high standards of financial integrity and reporting.
- Financial reports are required to present a true and fair view, in all material respects, of the Company's financial condition and operating results.
- An Audit and Risk Committee has been appointed to assist the Board in its consideration of financial policy and reporting.

### **Risk Management and Compliance**

- The Company is committed to high standards of risk management and compliance.
- A sound and effective system of compliance and risk management and internal control is required, consistent with the Company's Risk Management Policy.
- The Audit and Risk Committee has been appointed to assist the Board in its consideration of risk management, compliance and other associated matters.

### **Remuneration Standards**

The Company's overriding remuneration principle is to provide a fair and sufficient incentive to attract, motivate and retain a high quality Board and management team, based upon rewarding performance which enhances shareholder value.

- The remuneration of the senior management team may contain the following components:
  - fixed salary and benefits,
  - a short term incentive based on individual performance, and
  - a long term incentive derived from consideration of the performance of both the Company and the individual.

- The remuneration of non-executive directors consists solely of fixed fees.
- The Company's Annual Report discloses all components of the remuneration of directors, including advice of any discretionary incentive payments.
- A Remuneration Committee has been appointed to assist the Board in its consideration of remuneration policy and reporting.

### **Market Disclosure**

In accordance with its obligations under relevant listing rules and legislation:

- The Company keeps the market fully informed of information which may have a material effect on the price of its shares.
- Disclosures are to be:
  - timely;
  - factual;
  - comprehensive; and
  - understandable.
- The Company's Continuous Disclosure Policy sets the standards and procedures for information disclosure.

### **Shareholder Communications**

The Company aims to ensure that shareholders are well informed of all major developments affecting Energy Developments. This programme includes:

- Displaying on the Company's website:
  - Annual and half yearly reports and accounts
  - Notices of general meetings
  - All media and stock exchange releases
  - Key policies
  - Committee charters
  - General company background
- Facilitating the full participation by shareholders at the Company's Annual General Meeting.
- Requiring the attendance of Energy Developments' external auditor at the Annual General Meeting.