



Board Charter

Strike Energy Limited
ACN 078 012 745

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Strike Energy Limited

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(Company)

Board charter

1. Introduction

- 1.1 This Charter sets out the functions and responsibilities of the Board and the overall management of the Company.
 - 1.2 The Company is committed to ensuring that each of the actions undertaken by the Board and employees reflects the Company's values and strategies.
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2. Definitions

2.1 In this Charter:

- (1) **Board** means the board of directors of the Company;
 - (2) **CFO** means the Chief Financial Officer;
 - (3) **Chair** means the chair of the Board;
 - (4) **Charter** means this Board Charter;
 - (5) **Constitution** means the Company's constitution;
 - (6) **MD** means the Chief Executive Officer/Managing Director; and
 - (7) **Secretary** means the Company Secretary.
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3. Responsibilities of the Board

- 3.1 The Board is responsible for, and has the authority to determine, all matters relating to the strategic direction, policies, practices, establishing goals for management and the operation of the Company. Without intending to limit this general role of the Board, the specific functions and responsibilities of the Board include:
 - (1) oversight of the Company, including its control and accountability systems;
 - (2) appointing and removing the MD (or equivalent), including approving remuneration of the MD and the remuneration policy and succession plans for the MD;
 - (3) ratifying the appointment and, where appropriate, the removal of the CFO (or equivalent) and the Secretary;
 - (4) input into the final approval of management's development of corporate strategy and performance objectives;
 - (5) reviewing and ratifying systems of risk management and internal compliance and control, codes of conduct and legal compliance;

- (6) monitoring senior management's performance and implementation of strategy, and ensuring appropriate resources are available;
- (7) approving and monitoring the progress of major capital, exploration and development expenditure, capital management and acquisitions and divestitures;
- (8) approving and monitoring financial and other reporting;
- (9) appointment and composition of committees of the Board;
- (10) on recommendation of the Audit and Risk Committee, appointment of external auditors; and
- (11) on recommendation of the Nomination and Remuneration Committee, initiating Board and director evaluation.

4. Composition of the Board

4.1 Size

The Board will determine the Board size and may decide to increase the number of directors, subject to the requirements or limits in the Constitution, where it is highlighted that additional expertise is required in specific areas, or when an outstanding candidate is identified.

4.2 Independence of directors

- (1) The Board will comprise a majority of non-executive directors.
- (2) At least 2 of the non-executive directors will be independent directors.
- (3) The Chair will be a non-executive director. For the avoidance of doubt, the position of Chair will not be held by someone who is performing the role of MD of the Company.
- (4) Where the Chair is not an independent director, a lead independent director will be elected as soon as practicable by a majority of the Board. The lead independent director will assume the role of Chair when the Chair is unable to act in that capacity as a result of his or her lack of independence.
- (5) The Board will regularly assess (at least annually) whether each non-executive director is independent and each non-executive director is required to provide to the Board all information that may be relevant to this assessment.
- (6) An independent director is a non-executive director who is not a member of management and who is free from any business or other relationship that could materially interfere with, or could reasonably be perceived to materially interfere with, the director's ability to exercise independent judgment. A director will be considered by the Board to be independent if he or she:
 - (a) is not a substantial shareholder of the Company or an officer of, or otherwise associated directly with, a substantial shareholder of the Company (as defined in section 9 of the *Corporations Act 2001*);
 - (b) is not employed and has not, at any time within the last 3 years, been employed in an executive capacity by the Company or a subsidiary of the Company;

- (c) is not and has not, at any time within the last 3 years, been a partner, director or senior employee of a provider of material professional services to the Company or a subsidiary of the Company;
- (d) is not and has not, at any time within the last 3 years, been in a material business relationship (eg. as a supplier or customer) with the Company or a subsidiary of the Company, or an officer of or otherwise associated, directly or indirectly, with someone with such a relationship;
- (e) has no material contractual relationship with the Company or a subsidiary of the Company other than as a director of the Company;
- (f) has no close family ties with any person who falls within any of the categories described above; and
- (g) has not served on the Board for a period which could, or could reasonably be perceived to, materially interfere with the director's ability to exercise his or her independent judgment and to act in the best interests of the Company.

However, the Board may consider a director to be independent despite the director not satisfying one or more of the above requirements, where the Board is satisfied on reasonable grounds that the director should be considered as independent.

4.3 Expertise

- (1) The Board shall ensure that, collectively, it has the appropriate range of expertise to properly fulfil its responsibilities, including:
 - (a) finance;
 - (b) business;
 - (c) the Company's industry;
 - (d) legal skills; and
 - (e) C-level experience.
- (2) The Board, with the assistance of the Nomination and Remuneration Committee, shall review the range of expertise of its members on a regular basis and ensure that it has operational and technical expertise relevant to the operation of the Company.

5. Appointment of directors

- 5.1 Directors are appointed in accordance with the terms of the Constitution.
- 5.2 Subject to the number of directors allowed under the Constitution, a director may be appointed by an ordinary resolution of the Company in general meeting. Where a director's position becomes vacant in between such elections, the Board may appoint a replacement director. Such a replacement director will only hold office until the next annual general meeting of the Company.
- 5.3 The terms and conditions of the appointment and retirement of members of the Board will be set out in a letter of appointment, which shall include all or some of the following matters as appropriate:
 - (1) the term of the appointment, subject to member approval;

- (2) time commitments envisaged;
- (3) the powers and duties of directors;
- (4) any special duties or arrangements attaching to the position;
- (5) circumstances in which an office of director becomes vacant;
- (6) expectations regarding involvement with committee work;
- (7) remuneration and expenses;
- (8) superannuation arrangements;
- (9) the requirement to disclose directors' interests and any matters which affect the director's independence;
- (10) details of fellow directors, including other directorships held by them;
- (11) trading policy governing dealings in securities and related financial instruments by directors, including notification requirements;
- (12) induction, training and continuous education arrangements;
- (13) access to independent professional advice;
- (14) indemnity and insurance arrangements;
- (15) confidentiality and rights of access to corporate information;
- (16) a copy of the Constitution; and
- (17) organisational chart of management structure.

5.4 The appointment, removal, retirement and re-election of directors must be in accordance with the Constitution, applicable law and regulations (including the *Corporations Act 2001*) and applicable ASX Listing Rule requirements.

5.5 All new Board appointees must disclose the nature and extent of their other board appointments. The Chair and MD, with assistance from the Secretary, will provide a formal and comprehensive induction for new directors appointed to the Board

5.6 The induction includes meetings with the Chair, MD, CFO and other key executives and the provision of information on key Company policies and strategies.

6. Independent professional advice

6.1 To facilitate independent judgement in decision-making, each director has the right to seek independent professional advice at the Company's expense. However, prior approval from the Chair is required, which may not be unreasonably withheld.

7. Allocation of responsibilities

7.1 Chair

- (1) The Board elects the Chair in accordance with the Constitution.
- (2) The Chair will be selected on the basis of the person's achievements and record as a leader.
- (3) The position of Chair will be reviewed annually by the Board at the first Board meeting following the annual general meeting. The Chair authorises the expenses of all the other directors and the MD.
- (4) The Chair is responsible for leadership of the Board, for the efficient organisation and conduct of the Board's function, and for the briefing of all directors in relation to issues arising at Board meetings.
- (5) The Chair's specific duties are to:
 - (a) chair Board meetings. If the Chair is not present within 15 minutes after the time appointed for the holding of a meeting (or if the Chair is precluded by a material personal interest from assuming this role), another director will assume this role, chosen by a majority of directors present;
 - (b) establish the agenda for Board meetings;
 - (c) ensure Board minutes properly reflect Board discussions and decisions;
 - (d) be the spokesperson for the Company at the annual general meeting and in the reporting of performance and profit figures; the MD or the MD's nominee will undertake all other public relations activities;
 - (e) regularly review with senior officers, progress on important initiatives and significant issues facing the Company; and
 - (f) commence the annual process of Board and director evaluation.
- (6) The Chair is not entitled to vote or participate in the deliberations on any matter in which he or she has a personal interest, unless there is compliance with the conflict of interest provisions under the Constitution.
- (7) The Chair may be removed from office in accordance with the Constitution.

7.2 Individual directors

In accordance with statutory requirements and in keeping with developments at common law, directors have the following responsibilities:

- (1) exercise their powers and discharge their duties in good faith and in the best interests of the Company;
- (2) use their powers of office for a proper purpose and not for personal advantage or for the benefit of another party;
- (3) use due care and diligence;
- (4) make a reasonable effort to become and remain familiar with the affairs of the Company;

- (5) attend all Board meetings and Board functions unless there are valid reasons for non-attendance; and
- (6) commit the necessary time and energy to Board matters to ensure that they are contributing their best endeavours in the performance of their duties for the benefit of the Company, without placing undue reliance on other directors to fulfil these duties.

7.3 **The MD**

- (1) The MD is appointed by the Board.
- (2) The MD is responsible for the ongoing management of the Company in accordance with the strategy, policies and programs approved by the Board.
- (3) The MD's responsibilities include:
 - (a) developing, with the Board, a consensus for the Company's vision and direction;
 - (b) constructing, with the Company's management team, programs to implement this vision;
 - (c) negotiating the terms and conditions of appointment of senior executives for Board approval;
 - (d) appointing the senior management team;
 - (e) endorsing the terms and conditions of appointment of all other staff members;
 - (f) providing strong leadership to, and effective management of, the Company in order to:
 - (i) encourage co-operation and teamwork;
 - (ii) build and maintain staff morale at a high level; and
 - (iii) build and maintain a strong sense of staff identity with, and a sense of allegiance to, the Company;
 - (g) ensuring a safe workplace for all personnel;
 - (h) ensuring a culture of compliance generally, and specifically in relation to environmental matters;
 - (i) carrying out the day-to-day management of the Company;
 - (j) forming other committees and working parties from time to time to assist in the orderly conduct and operation of the Company;
 - (k) keeping the Board informed, at an appropriate level, of all the activities of the Company; and
 - (l) ensuring that all personnel act with the highest degree of ethics and probity.
- (4) The Board formally delegates the power to the MD to authorise all expenditures as approved in the budget, and to appoint individuals to specific management roles (provided that the terms and conditions under which appointed individuals report to the MD are approved by the Nomination and Remuneration Committee).

7.4 **Secretary**

- (1) The Secretary holds primary responsibility for ensuring that Board processes and procedures run efficiently and effectively, and to work with the Board to address governance matters.
- (2) The Secretary is appointed in accordance with the Constitution and is accountable directly to the Board through the Chair.
- (3) The specific tasks of the Secretary include:
 - (a) overseeing the Company's compliance program;
 - (b) ensuring that the agenda and briefing materials for Board meetings are prepared and forwarded to directors in a timely and effective manner;
 - (c) recording, maintaining and distributing the minutes of all Board and Board subcommittee meetings as required;
 - (d) preparing for and attending all general meetings of the Company and ensuring that the correct procedures are followed;
 - (e) recording, maintaining and distributing the minutes of all annual and extraordinary general meetings of the Company;
 - (f) meeting statutory reporting requirements in accordance with relevant legislation; and
 - (g) any other services the MD or Chair may require.
- (4) All directors will have direct access to the Secretary.

7.5 **Meetings**

The Board should meet formally at least 8 times per year and will also meet as necessary between scheduled meetings. Part of each scheduled meeting may be set aside to allow the non-executive directors to meet without management present.

8. MD and CFO assurances

- 8.1 It is the responsibility of both the MD (or equivalent) and the CFO (or equivalent) to provide written assurances to the Board that in all material respects:
- (1) the financial reports submitted to the Board present a true and fair view of the Company's financial condition and operational results; and
 - (2) the Company's risk management and internal compliance and control system is operating efficiently and effectively.

9. Committees

9.1 **Establish committees**

To assist with the execution of its responsibilities, the Board has the authority to establish and determine the powers and functions of the committees of the Board, including the Audit and Risk

Committee, the Nomination and Remuneration Committee and other committees that may be formed from time to time. Each Board committee is to document a charter, approved by the Board, setting out its responsibilities.

9.2 **Nomination and Remuneration Committee**

- (1) The role and responsibilities, composition, structure and membership requirements of the Nomination and Remuneration Committee are set out in detail in a Nomination and Remuneration Committee Charter approved by the Board.
- (2) The Nomination and Remuneration Committee shall be structured so that it:
 - (a) comprises, to the extent possible, a majority of independent non-executive directors;
 - (b) is chaired by an independent director; and
 - (c) has at least 2 members.

In addition, if the Company is included in the S&P/ASX 300 Index at the beginning of a financial year, the Nomination and Remuneration Committee must be comprised solely of non-executive directors for the entire duration of that financial year.

- (3) The responsibilities of the Nomination and Remuneration Committee include:
 - (a) executive remuneration and incentive policies;
 - (b) the remuneration packages of senior management;
 - (c) the Company's recruitment, retention and termination policies and procedures for senior management;
 - (d) incentive schemes;
 - (e) superannuation arrangements;
 - (f) the remuneration framework for directors;
 - (g) assessment of the necessary and desirable competencies of Board members;
 - (h) review of Board succession plans;
 - (i) evaluation of the Board's performance, including its committees and its individual directors; and
 - (j) recommendations for the appointment and removal of directors.

9.3 **Audit and Risk Committee**

- (1) The role and responsibilities, composition, structure and membership requirements of the Audit and Risk Committee are documented in a separate Audit and Risk Committee Charter.
- (2) The Audit and Risk Committee must consist of:
 - (a) to the extent possible, a majority of independent non-executive directors;

- (b) a chair, who is not the Chair of the Board; and
- (c) at least 2 members.

However, if the Company is included in the S&P/ASX 300 Index at the beginning of a financial year, the Board shall ensure that for the entirety of the financial year the Company complies with the recommendations set by the ASX Corporate Governance Council in relation to the structure and disclosure requirements of the Audit and Risk Committee.

- (3) The Audit and Risk Committee must review the integrity and effectiveness of the Company's financial reporting, risk management framework and oversee the independence of the external auditors.

9.4 Code of Conduct

- (1) To promote ethical and responsible decision-making, the Board must approve a Code of Conduct as to the practices necessary to maintain confidence in the Company's integrity and the responsibility and accountability of individuals for reporting and investigating reports of unethical practices.
- (2) The Code of Conduct may deal with areas such as the following:
 - (a) conflicts of interest;
 - (b) confidentiality;
 - (c) fair dealing;
 - (d) compliance with laws and regulations;
 - (e) corporate opportunities;
 - (f) protection and proper use of the Company's assets;
 - (g) encouraging the reporting of unlawful, unethical behaviour;
 - (h) responsibilities to shareholders and the financial community generally;
 - (i) responsibilities to clients, customers and consumers;
 - (j) employment practices;
 - (k) obligations relative to fair trading and dealing;
 - (l) responsibilities to the individual;
 - (m) responsibilities to the community;
 - (n) how the Company complies with legislation affecting its operations; and
 - (o) how the Company monitors and ensures compliance with the Code.
- (3) Directors and employees must comply with the Code of Conduct and demonstrate commitment to the Code and consistency in its execution. Adherence to the Code of Conduct must be periodically evaluated and immediate action taken where necessary.

10. Policies

10.1 Establish policies

The Board (or appropriate Board committee) is responsible for establishing policies relating to the following matters.

10.2 Securities trading

- (1) The Company's securities trading policy (**Securities Trading Policy**) shall document the Company's policy relevant to trading in Company securities by directors, officers and employees.
- (2) The Securities Trading Policy must clearly identify those individuals who are restricted from trading, the relevant laws relating to trading, and certain exclusions from trading.

10.3 Communications strategy with shareholders

- (1) The Company's communications strategy (**Shareholder Communications Policy**) is designed to promote effective communication with shareholders and encourage participation at general meetings.
- (2) The Shareholder Communications Policy should include policies and procedures relating to use of the Company's website as a means of communicating with shareholders.

10.4 Disclosure

- (1) The Company's disclosure policy (**Continuous Disclosure Policy**) is designed to ensure compliance with ASX Listing Rules disclosure requirements and to ensure accountability at a senior management level for that compliance.
- (2) The Disclosure Policy shall include vetting and authorisation processes designed to ensure that Company accounts:
 - (a) are made in a timely manner;
 - (b) are factual;
 - (c) do not omit material information; and
 - (d) are expressed in a clear and objective manner that allows the input of the information when making investment decisions.

11. Review of the Charter

- 11.1 This Charter shall be reviewed by the Board periodically and at least bi-annually, and may be amended by resolution of the Board.