

Metgasco Ltd

ACN 088 196 383

Board Charter

1. Introduction

- 1.1 This is the Charter of the Board of Directors (**Board**) of Metgasco Ltd (**Company** and, together with its controlled entities, the **Group**).
- 1.2 The Board is responsible for the corporate governance of the Group.
- 1.3 The purpose of this Charter is to:
 - (a) promote high standards of corporate governance;
 - (b) clarify the role, responsibilities, structure and processes of the Board; and
 - (c) enable the Board to provide strategic guidance for the Group and effective oversight of the management of the Group.
- 1.4 This Charter is supported by the Company's Constitution, the Group's Code of Conduct, the Charters for the Board's standing Committees - Audit and Risk Committee and the Nomination and Remuneration Committee, the Group's Corporate Governance Statement and the Group's policies in respect of securities trading, risk management, continuous disclosure and diversity, among other things.
- 1.5 To the extent that there is any inconsistency between this Charter and the Company's Constitution, the Constitution will prevail to the extent of that inconsistency.
- 1.6 This Charter will be reviewed every two years or as required.

2. Role and Responsibilities

- 2.1 The Board is responsible for setting the Group's values and standards of conduct and ensuring that these are adhered to, in the interests of the Group's stakeholders and, generally in safeguarding the Group's reputation.
- 2.2 The role of the Board is to provide leadership and strategic direction for the Company and the Group in addition to overseeing executive management's (**Group Executives**) implementation of the Company's strategic initiatives.
- 2.3 The Board must act in the best interests of the Company as a whole and is accountable to the shareholders for the overall direction, performance and corporate governance of the Group. This requires the Board to work as a team and meet on a regular basis.
- 2.4 The Board must monitor the operational and financial position and performance of the Company and oversees its business strategy. In conducting business with these objectives in mind, it is the role of the Board to seek to ensure that the Company is properly managed to protect and enhance shareholder interests, and that the Company, its Directors, officers and personnel operate in an appropriate environment of corporate governance.
- 2.5 The Board must adopt relevant internal controls, risk management processes and corporate governance policies and practices which it believes are appropriate for the Company's business and which are designed to promote the responsible management and conduct of the Company.
- 2.6 The key responsibilities of the Board include:
 - (a) overseeing the Group, including providing leadership and approving its strategic objectives, business plan and significant corporate strategic objectives;
 - (b) appointing the Chairperson;

- (c) appointing and removing the Chief Executive Officer (**CEO**) and approving or ratifying the appointment of other executives, such as the Chief Financial Officer (**CFO**); General Counsel (if applicable), Head of Internal Audit (if applicable) and other significant direct reports to the CEO (**Group Executives**);
 - (d) where appropriate, ratifying organisational changes and approving the Group's remuneration policies and practices;
 - (e) reviewing and approving succession plans for the CEO and Group Executives;
 - (f) monitoring Group Executives' performance and implementation of strategy, and ensuring that appropriate resources are available;
 - (g) approving the proposed annual budget;
 - (h) determining dividend policy, the amount to be declared and the nature and timing of dividends to be paid;
 - (i) approving and monitoring the progress of major capital expenditure, capital management, acquisitions and divestitures;
 - (j) approving and monitoring corporate, financial and other reporting systems, including external audit, and overseeing their integrity;
 - (k) reviewing and monitoring any related party transaction and recommending its approval;
 - (l) considering and approving the Group's overall risk management strategy and frameworks for managing all categories of risk;
 - (m) approving and monitoring systems of risk management, accountability, internal compliance and control, and legal compliance to ensure that appropriate compliance frameworks and controls are in place;
 - (n) setting the risk appetite within which the Board expects Group Executives to operate and approve the Group's *Risk Management Statement*;
 - (o) reviewing performance, operations and compliance reports from the CEO and CFO, including reports and updates on strategic issues and risk management matters;
 - (p) reviewing and overseeing the Group's *Continuous Disclosure Policy*;
 - (q) reviewing and overseeing the implementation of the Group's *Code of Conduct* applicable to Directors and all other employees;
 - (u) approving the Charters of the various Board Committees;
 - (r) monitoring and ensuring compliance with all legal and regulatory requirements and ethical standards and policies and otherwise monitoring the effectiveness of the Group's governance practices;
 - (s) approving policies and frameworks applicable to the Group, including those required to be approved by the Board;
 - (t) considering the social, ethical and environmental (if any) impact of the Group's operations;
 - (u) reviewing and approving Non-Executive Directors' Board and Board Committee fees, subject to the Board fee pool approved by shareholders; and
 - (v) any other responsibilities determined by the Board from time to time.
- 2.7 In carrying out its responsibilities and functions, the Board may delegate any of its powers to a Board Committee, a Director or other person, subject to ultimate responsibility residing with the Directors. Notwithstanding **clause 7** below, the Board may at any time remove or modify any powers delegated to the CEO.

- 2.8 The matters specifically reserved for the Board or its Committees (as relevant) include:
- (a) appointment of a Chairperson;
 - (b) appointment and removal of the CEO;
 - (c) appointment of a Director to fill a casual vacancy or as an additional Director;
 - (d) making recommendations to shareholders for the appointment or removal of Directors;
 - (e) establishment of Board Committees, their membership and delegated authorities;
 - (f) approval of dividends;
 - (g) review of the Group's *Code of Conduct*;
 - (h) approval of major capital expenditure, acquisitions and divestitures in excess of authority levels delegated to Management;
 - (i) calling of meetings of Directors or shareholders; and
 - (j) any other specific matters nominated by the Board from time to time

3. Board Size and Composition

- 3.1 The size of the Board will be determined in accordance with the Company's Constitution. In accordance with rule 3, the Board shall comprise at least 3 Directors and a maximum of 9 Directors.
- 3.2 The Board should ideally comprise:
- (a) a majority of independent Non-Executive Directors;
 - (b) Directors with an appropriate range of financial and other skills, experience and expertise necessary to guide the operations of the Group;
 - (c) Directors who can understand and competently deal with current and emerging business issues; and
 - (d) Directors who can effectively review and challenge the performance of Management and exercise independent judgment.
- 3.3 The Board will regularly review to composition of the Board, considering the number and skill mix of the Directors.
- 3.4 Non-Executive Directors are appointed by way of a formal letter of appointment setting out key terms, conditions and responsibilities of their position.
- 3.4 Directors may appoint an Alternate Director in accordance with the Company's Constitution.
- 3.5 Directors will be appointed and removed in accordance with the Corporations Act and the Company's Constitution.
- 3.6 Upon appointment, the Company Secretary is responsible for arranging for the new Director to undertake an induction program to enable them to gain an understanding of:
- (a) the Company's operations and the industry sectors in which it operates;
 - (b) the culture and values of the Company;
 - (c) the Company and Group's financial, strategic, operational and risk management position;
 - (d) their rights, duties and responsibilities; and
 - (e) any other relevant information.

4. Director independence

- 4.1 An independent Non-Executive Director is one who:
- (a) is independent of Management;

- (b) 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 unfettered and independent judgment; and
 - (c) otherwise meets the criteria for 'independence' as set out in the current edition of the ASX *Corporate Governance Principles and Recommendations*, published by the ASX Corporate Governance Council.
- 4.2 The Board will regularly assess whether each Non-Executive Director is independent and each Non-Executive Director must provide to the Board all information relevant to his or her assessment in this regard. If a Director's independent status changes, it will be immediately disclosed and explained to the market.
- 5. **Chairperson**
 - 5.1 The Board will appoint one of its members to be Chairperson.
 - 5.2 The Chairperson must be an independent Non-Executive Director.
 - 5.3 The Chairperson represents the Board and is responsible for leading the Board, facilitating the effective contribution of all Directors, promoting constructive and respectful relations between Directors and between the Board and Management, and communicating the Board's position to shareholders and the public.
- 6. **Board Committees**
 - 6.1 In accordance with the Company's Constitution, the Board has established the following standing Committees to assist it in carrying out its responsibilities, to share detailed work and to consider certain issues and functions in detail:
 - (a) Audit & Risk Committee; and
 - (b) Nomination and Remuneration Committee.
 - 6.2 The Charter of each Board Committee, setting out matters relevant to the composition, responsibilities and administration of the Committee, must be approved by the Board. Each Committee will review its Charter every two years or as required.
 - 6.3 The Board may appoint ad hoc Board Committees from time to time to consider matters of special importance or to exercise the delegated authority of the Board.
 - 6.4 The Board will determine the membership and composition of Board Committees, having regard to its workload, skills, experience and any regulatory requirements.
- 7. **CEO and Group Executives**
 - 7.1 Subject to **clause 2.8** above, responsibility for day-to-day management and administration of the Group is delegated by the Board to the CEO and the Group Executives.
 - 7.2 The CEO manages the Group in accordance with the strategy, plans and policies approved by the Board.
 - 7.3 The CEO is appointed by the Board.
 - 7.4 The responsibilities of the CEO include, among other things:
 - (a) developing and recommending to the Board strategies, business plans and annual budgets for the Group;
 - (b) implementing the strategies, business plans and budgets approved by the Board;
 - (c) providing effective leadership, direction and supervision of the Group Executives to achieve the strategies, business plans and budgets adopted by the Board;
 - (d) ensuring compliance with all applicable laws and regulations;

- (e) ensuring that the Board is given sufficient information in a form, timeframe and quality that will allow it to be effective in performing its functions, setting strategies, monitoring performance and discharging its duties; and
 - (f) acting within authority delegated by the Board.
- 7.5 The Board has in place procedures to regularly assess the performance of the CEO and Group Executives.
- 8. Non-Executive Directors**
- 8.1 The independent Non-Executive Directors (unless any Director is conflicted in regards to the matter) should consider the benefits of conferring regularly without Management present, including at scheduled sessions or as otherwise required by the circumstances.
- 8.2 In discharging his/her duties, each Director must:
 - (a) exercise care and diligence;
 - (b) act honestly and in good faith in the best interests of the Company as a whole;
 - (c) not improperly use his/her position or misuse information of the Company;
 - (d) disclose to the Board any actual, perceived or potential conflicts of interest, whether of a direct or indirect nature, of which the Director becomes aware and which the Director reasonably believes may compromise the reputation or performance of the Company; and
 - (e) commit the time necessary to discharge effectively his/her role as a director.
- 8.3 All Directors are entitled to be heard at all meetings and to the extent practicable, should bring an objective judgement to bear in decision-making.
- 9. Company Secretary**
- 9.1 The Board will appoint at least one Company Secretary who is directly accountable to the Board through the Chairperson, on all matters to do with the proper functioning of the Board.
- 9.2 The responsibilities of the Company Secretary of the Company include, among other things:
 - (a) advising the Board and the Board committees on governance matters;
 - (b) monitoring that Board and Board Committee policies and procedures are followed;
 - (c) coordinating the timely completion and dispatch of Board and Board Committee papers;
 - (d) ensuring that business at Board and Board Committee meetings is accurately captured in the minutes of such meetings;
 - (e) assisting with the organisation and facilitation of induction and professional development of the Company's Directors; and
 - (f) communication with regulatory bodies, stock exchanges and all statutory and other filings.
- 10. Board Meetings**
- 10.1 The Chairman is responsible, in consultation with the CEO and the Company Secretary, for the conduct of all Board meetings, including the setting of agendas and ensuring that they are comprehensive and that all agenda items are appropriate.
- 10.2 Members of the Group Executives are invited to attend all Board Meetings and they may be contacted by Directors directly between Board Meetings.
- 10.3 The Non-Executive Directors will regularly meet without Group Executives and the CEO, including at the conclusion of each Board Meeting.

11. Board Performance

- 11.1 The Board will undertake ongoing assessment and review of the performance of the Board, its Committees and individual Directors at least annually.

12 Conflicts

12.1 Directors must:

- (a) disclose to the Board any actual, perceived or potential conflicts of interest or duty, or matter that may bear on their independence and might reasonably be thought to exist as soon as the situation arises;
- (b) take all necessary and reasonable action to resolve or avoid any actual, perceived or potential conflicts of interest or duty; and
- (c) comply with all applicable law and the Company's by-laws in relation to disclosing material personal interests and restrictions on voting.

- 12.2 If a conflict exists, it is expected that any Director to whom the conflict relates will recuse himself or herself when the Board is discussing any matter to which the conflict relates.

13. Other appointments

- 13.1 A Non-Executive Director should inform the Chairperson of the Board and the Chair of the Nomination and Remuneration Committee before accepting any new appointment as a Director of another listed entity, another other material directorship or other position with a significant time commitment attached.

14. Access to information and independent advice for Directors

- 14.1 Directors have access to any information that they consider necessary to fulfil their responsibilities and to exercise independent judgment when making decisions.

14.2 Directors have access to:

- (a) Management to seek explanations and information from Management; and
- (b) auditors to seek explanations and information from them without Management being present.

- 14.3 At the expense of the Company, Directors may seek any independent professional advice that they consider necessary to fulfil their responsibilities and to exercise independent judgment when making decisions in accordance with the procedure agreed by the Directors.

- 14.4 If the Chairperson of the Board consents, the Company will pay a Director's costs of seeking independent professional advice. That consent may not be unreasonably withheld or delayed.

- 14.5 Any such advice received will be provided to the whole Board.

15. Size of the Board and Board vacancies

- 15.1 All Directors are expected to continue as Directors only for so long as they have the confidence of their fellow Board members and the confidence of the Company's shareholders.

- 15.2 In accordance with the ASX Listing Rules, no Director except the CEO is permitted to hold office for a continuous period in excess of three years or past the third annual general meeting following that Director's appointment, whichever is the longer, without submitting himself or herself for re- election.

16. Communication of information

- 16.1 The Board has adopted a communications strategy to facilitate and promote effective communication with all stakeholders and to encourage shareholder participation at general meetings.

17. Approved and adopted

This Charter was approved and adopted by the Board on 1 March 2019.