

The Lodestone Board Charter

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Next Review: October 2028

Purpose

This board charter ("**Charter**") focuses on the practices and behaviours that underpin the function of the board of directors (**Board**) at Lodestone Energy Limited ("**Lodestone**" or the "**Company**") and identifies the principles of corporate governance that assist Directors in performing their duties.

This Charter does not attempt to provide a complete record of all formal and informal rules relevant to the Board. References to Lodestone or the Company include Lodestone and its subsidiary companies. This Charter should be read in conjunction with the Company's Constitution.

Role of the Board

The Board is responsible for the governance, proper direction and control of the activities of Lodestone. The primary function of the Board is to act in a manner that directors believe is in the best interests of Lodestone, thereby enhancing the long-term value of the Company, while having appropriate regard to the interests of its shareholders, employees and other stakeholders.

The Board operates in accordance with all applicable laws and regulations, and the constitution of Lodestone Energy (Constitution).

Corporate Governance Framework

The Board is committed to maintaining the highest standards of governance, business behaviour and accountability in order to promote stakeholder confidence. The Board believes high standards of corporate governance are essential for sustainable long-term performance and creating value for shareholders.

The Board recognises the importance of:

- a) a successful balance of relationships between an organisation's Board, management, shareholders and stakeholders; and
- b) establishing the appropriate level of accountability and transparency to be observed by the Board.

Code of Conduct

The Board has approved and adopted the Lodestone Code which is a formal statement acknowledging the commitment of the Board, management and staff to maintaining the highest standards of honesty, integrity and ethical conduct in day-to-day behaviour and decision-making at Lodestone Energy.



Functions and Responsibilities of the Board

The Board's responsibilities include the following:

- approve the strategic direction for Lodestone Energy and oversee the corresponding business strategies and objectives that give effect to the Company's strategic direction;
- oversee the operation of Lodestone Energy's business and ensure that it is being managed appropriately;
- review and approve Lodestone's budgets, business plans, dividend policy and financial forecasts. Monitor the management of the Company's capital, including the progress of any significant capital expenditure, acquisition or divestments;
- monitor the financial performance of Lodestone Energy;
- monitor the integrity of external reporting, comprising both financial and non-financial disclosures;
- approve and regularly review the Company's internal decision-making and any strategic policies, frameworks, procedures and Board and committee charters and other material corporate governance documents;
- approve the frameworks and systems designed to facilitate Lodestone Energy's business being conducted in an honest, ethical, responsible and safe manner;
- oversee and review Lodestone Energy's health, safety and wellbeing framework and strategy;
- implement effective audit, risk management and compliance systems to protect Lodestone Energy's assets and minimise the possibility of the Company operating beyond legal requirements or beyond acceptable risk parameters;
- safeguard the reputation of the Company and the Lodestone brand;
- manage and approve the appointment, remuneration and succession of the Managing Director, and review the remuneration and performance of the Managing Director, consistent with the Company's strategic direction;
- review and approve the Company's remuneration policy;
- monitor the appointment, performance and remuneration of other senior management roles within the Company;
- ensure procedures are in place for compliance with the Company's legal obligations;
- review succession and development plans for key senior management roles within the Company;
- report to and communicate with shareholders in an effective and timely manner;
- approve any material changes to the Company's Board approved policies;
- approve any annual employee share scheme offers;
- monitor the effectiveness of Lodestone Energy's governance practices; and
- give proper attention to all matters before the Board.



Delegations to Management

The Board has delegated to the Managing Director, and to other members of the senior leadership team as sub-delegated, the authority to manage the business and day-to-day affairs of the Company in accordance with the Delegated Authority Policy and all other policies adopted by the Board.

Board Composition and Director Independence

The Board is structured in such a way that as a collective group, it has the skills, knowledge, experience and diversity to meet and discharge its responsibilities.

The Constitution provides that the Company must comply with the minimum Board composition requirements of the NZX Listing Rules. Subject to these limitations, the number of directors to hold office will be fixed from time to time by the Board.

The Board shall comprise a majority of independent, non-executive directors and will always comprise a minimum of two independent directors. The Board's standards for determining independence will include the requirements of the NZX Listing Rules and NZX Corporate Governance Code. The Board will assess the independence of directors on their appointment, and at least annually thereafter.

The Board will consider from time to time whether the Board composition is appropriate and will be responsible for considering nominations to the Board.

Board membership details are disclosed on the Lodestone website.

Chair's Appointment and Role

The Constitution provides that the Chair is elected by the Board.

The Chair will chair all meetings of the Board at which they are present. The Chair provides leadership to the Board and must endeavour to ensure that the Board is well informed and effective.

The Chair of the Board will be an independent director and will not be the same person as the Managing Director. The Chair's responsibilities are to:

- provide effective leadership in formulating strategic direction;
- promote the integrity and effectiveness of the governance process of the Board, and the efficient and ethical conduct of Board meetings;
- provide Directors with the opportunity to discuss contrasting views, explore ideas and generate the collective views and contribution of knowledge necessary for the effective operation of the Board and the Company in a culture of openness and constructive challenge that allows for a diversity of views to be considered by the Board;
- maintain regular dialogue with the Managing Director on operational issues and financial performance and, where required, escalate matters to all directors for consideration and resolution; and
- represent the Board with shareholders and stakeholders.



Company Secretary

The Company Secretary of the Board is responsible for providing administrative support in respect of Board planning, procedure, recording of minutes, co-ordinating the timely dispatch of the Board agenda and briefing materials, ensuring the Board is provided with appropriate advice on any legal matters affecting the Board's decisions and maintaining all official Board and Board Committee records and statutory registers. The Company Secretary is accountable to the Board, through the Chair, on all governance matters affecting the Board and its Committees. The appointment and removal of the person fulfilling the role of Company Secretary should be a matter for the Board as a whole.

Board Committees

The Board may establish committees to assist it in carrying out its responsibilities and shall adopt committee charters for each committee, that set out the delegated functions, responsibilities and purpose of each committee. Committee chairs and members are appointed by the Board.

The Board is responsible for the oversight of any Committee. Committees may make recommendations to the full Board, but do not make decisions on behalf of the Board unless specifically mandated to do so, either by their charters or by the Board.

Each committee's charter will be reviewed on a regular basis and made available on the Company's website.

The Board has established two standing committees to handle particular analysis and work delegated by the Board. Current standing committees established by the Board are:

- Audit and Risk Committee; and
- People and Culture Committee.

From time to time the Board may establish other standing or special purpose committees to examine, or have the delegated authority to deal with, specific issues on behalf of the Board.

Authority

The Board's authority is derived from, and subject to, the Constitution. The Board is required to comply with the NZX Listing Rules and all other applicable laws and regulations. Directors are also subject to the Lodestone Code.

Board and Committee Meetings

Board and committee meetings will be governed in accordance with the Company's Constitution and otherwise as determined by the Chair of the Board or relevant committee.

The Chair of the Board is responsible for the conduct of all Board meetings. The agenda for each Board meeting will be determined by the Chair in consultation with the Managing Director and the Company Secretary, with each director being free to introduce additional agenda items.

- a) The Board meets as frequently as required to undertake its role effectively, but normally at least every two months. Written notice of Board meeting dates, times and locations will be prepared by the Company Secretary. Any director, or the Company Secretary at the request of a director, may convene a meeting of the Board by giving the required written notice.



- b) The Constitution requires that a quorum is a majority of directors present.
- c) Each director is expected to fully participate in meeting discussions, having read all Board and briefing papers provided. Papers for Board meetings will be sent sufficiently in advance of the meeting to allow adequate reading time. The content, presentation and delivery of papers to directors for each meeting will be in accordance with guidelines agreed by the Board.
- d) Minutes will be taken of all Board and committee meetings. All discussions and the record of the meeting will remain confidential unless there is a specific direction from the Board or disclosure is required by law. Subject to any legal or regulatory requirements, the Board will decide the manner, timing and method of publication of its decisions.
- e) Open and constructive discussion is encouraged at all Board and committee meetings to ensure decisions are taken that benefit from the diverse range of skills, knowledge and experience of directors.
- f) The Board may meet periodically without management present. This permits the Board to determine its priorities for the meeting to follow and to discuss matters which are not appropriate to be discussed in the presence of management. In general, matters of strategic importance should not be discussed without the presence of the Managing Director.
- g) The Managing Director may attend all Board meetings and other members of the senior leadership team will be invited to attend Board meetings. The Chair may require any director or other attendee to leave a meeting at any time, as deemed appropriate to discuss or obtain further information on any matter.

Reliance on Advice

The Board is expected to exercise a high standard of commercial judgement.

In doing so, Directors are entitled to rely on the honesty, integrity and advice of Lodestone Energy's management team and its external advisors and auditors, but must not substitute reliance on the advice of management and third parties for the Board's own due consideration of the issues presented to it for review and approval.

Directors are entitled to:

- have access to internal and external auditors without management present, to seek explanations or additional information; and
- with the Chair's consent seek independent professional advice at the Company's expense.

Professional Development for Directors

The Board is committed to continued professional development to enable directors to maintain the knowledge and skill set required for the office of director of an issuer and to provide Directors with any new knowledge specific to the energy industry and to a listed environment.

Directors visit Lodestone sites and operations, attend stakeholder and iwi engagement events and attend briefings from senior managers and industry experts.



Induction for New Directors

New directors are provided with governance information, key policies and all relevant information necessary to prepare new Directors for their role.

Evaluation of Board Performance

Regularly, Directors conduct a performance review and evaluation of the Board as a whole and Board committees, with Directors' views sought on issues relating to Board and committee process, efficiency and effectiveness, for discussion by the full Board.

The Chair engages with individual Directors to evaluate and discuss performance and professional development.

Disclosure of Interest/Conflicts of Interest

Each director is required to disclose all actual or potential conflicts of interest which may exist or be thought to exist as soon as they become aware of the issue and take any necessary and reasonable measures to try to resolve the conflict. Directors will minimise the possibility of any conflicts by restricting involvement in any businesses that would be likely to lead to a conflict of interest.

An entry in the Company's interest register to the effect that a director is, or may be, interested (as defined in the Companies Act 1993) in a transaction must be disclosed to the Board. A director who is interested in a transaction may not (except in relation to the granting of an indemnity or if the transaction is one in respect of which directors are expressly required to sign a certificate under the Companies Act 1993) be included in the quorum for a meeting at which the transaction is considered or vote in relation to that transaction but may:

- attend a meeting of directors at which a matter relating to the transaction arises;
- sign a document relating to the transaction on behalf of the Company; and
- do anything else as a director in relation to the transaction, as if he or she were not interested in the transaction.

Directors' Responsibilities and Duties

Each director will receive a letter of appointment setting out the key terms and conditions of their appointment. Directors are expected to comply with their legal duties and obligations when discharging their responsibilities as directors.

Directors will keep confidential all Board information, discussions, deliberations, and decisions that are not publicly known. Directors' obligations of confidentiality will continue after they have ceased to be directors.

Directors' Remuneration, Expenses and Corporate Opportunities

Directors' remuneration is paid in the form of directors' fees. The total fee pool available to be paid to directors is subject to shareholder approval, unless there has been an increase in the number of directors following approval of the total fee pool by shareholders, in which case additional remuneration may be payable if permitted by the NZX Listing Rules.



Directors will not use for personal gain, opportunities that are discovered through the use of Company property or Company information disclosed to directors by virtue of their position as a director.

Directors will not accept gifts or personal benefits of any value from any external party, if it would or could be perceived that this could compromise or influence any decision of the Company and under no circumstances will they accept cash gifts.

Directors will not offer gratuities or other personal rewards designed to influence business transactions.

All directors' expenses are approved by the Chair of the Board and the Chair's expenses are approved by the Chair of the Audit and Risk Committee.

Directors' Indemnity and Insurance

- All directors have the benefit of an indemnity provided by the Company.
- The Company has Director and Officer Liability insurance. The costs of this insurance are met by the Company.

The existence of the indemnities and insurance is disclosed in the Company's Interest Register.

Shareholders and Stakeholders

The Board is mindful of the issues of concern to its shareholders and stakeholders (namely, its customers, employees and the communities in which Lodestone operates).

The Board continuously monitors and evaluates economic, environmental, political, social and legal issues and sustainability risks that may:

- influence Lodestone and its operations;
- affect the Company's ability to achieve its strategy and business plans; or
- affect the interests of shareholders and other stakeholders.

Unless otherwise directed by the Chair or Managing Director, communications with the public must only be undertaken by specifically authorised Company representatives in accordance with the Continuous Disclosure Policy.

Review of this Charter

The Board will review this Charter at least every two years, or as required.