

PEOPLE, CULTURE AND GOVERNANCE COMMITTEE CHARTER

1. INTRODUCTION

1.1 Purpose of the People, Culture & Governance Committee

The People, Culture and Governance Committee (**Committee**) has been established by resolution of the Board of Karoon Energy Ltd (**Karoon** or **Company**) to assist the Board in fulfilling its responsibilities in respect of:

- (a) ensuring that the Company has the appropriate ethical standards and corporate governance policies and practices in place in order to protect and enhance shareholder returns;
- (b) ensuring, so far as possible, that policies are properly embedded within the Company's operations and that all who work for and with the Company embrace these policies and standards as a normal and necessary element of managing the Company to maximise value for shareholders; and
- (c) establishing appropriate remuneration levels and policies including incentive policies for employees (excluding the Chief Executive Officer and Managing Director in respect of whom such matters are reserved for the Board); and
- (d) culture and general diversity.

1.2 Objectives

The Committee will oversee the Company's endeavours to:

- (a) have a strong governance framework of charters and policies to attract, retain and drive high performance in all employees to create shareholder value whilst observing those policies and practices;
- (b) promote and support a diverse workplace and harmonious workplace culture;
- (c) fairly and responsibly reward employees (excluding the Chief Executive Officer and Managing Director in respect of whom such matters are reserved for the Board) having regard to the performance of the Company, the performance of the employee and the general and specific remuneration environment; and
- (d) comply with the relevant listing rules, legal and regulatory requirements.

2. ROLE AND RESPONSIBILITIES

2.1 Corporate Governance and Culture

The Committee makes recommendations for Board review and approval related to governance and culture, and will oversee the following:

- (a) the policies of corporate governance of the Company, including the:
 - (i) Code of Conduct;
 - (ii) Related Party Policy;
 - (iii) Diversity Policy;
 - (iv) Anti-Discrimination and Harassment Policy;

- (v) Continuous Disclosure Policy;
- (vi) Share Trading Policy; and
- (vii) Performance Review Policy;
- (b) monitoring external best practice developments and trends in relation to corporate governance, compliance, regulatory and risk management policy and practice (including in relation to the ASX Corporate Governance Council's Principles and Recommendations);
- (c) reviewing on at least a bi-annual basis the Company's overall corporate governance framework;
- (d) overseeing the development and implementation of employee performance and development programs and succession plans to attract, motivate and retain high quality people to enable appropriate skills, experience and the capability to deliver on the Company's business strategy;
- (e) reviewing on at least an annual basis, the measurable objectives for achieving gender diversity under the diversity policy and in accordance with the ASX Corporate Governance Council's Principles and Recommendations and assessing progress against the objectives;
- (f) corporate governance disclosures on the Company's website(s);
- (g) the Corporate Governance Statement published annually prior to its publication;
- (h) monitoring the effective communication of the Company's corporate governance policies to all Karoon employees;
- (i) monitoring the effective communication of the Company's corporate governance policies to shareholders, media, analysts and other external stakeholders; and
- (j) reviewing and recommending to the Audit and Risk Committee and the Board the annual audited Remuneration Report for approval.

2.2 Independence of Board Members

- (a) The Committee shall consider (and disclose) if a director has an interest, position, association or relationship that may compromise the independence of the director. The Committee will review and monitor a set of key independence criteria to use as a basis for their consideration.
- (b) The Committee shall assess the materiality of the interest, position, association or relationship to determine whether it might interfere, or might reasonably be seen to interfere, with the director's capacity to bring an independent judgement to bear on issues before the Board and to act in the best interests of the Company and its shareholders generally.
- (c) The Committee is to consider the independence of non-executive directors on at least an annual basis (i.e. prior to issue of the annual report) and prior to considering candidates for election to the Board.
- (d) The Board should annually assess the independence of any director who has served the Company for more than 10 years.

2.3 Remuneration Strategy

With respect to employees (excluding the CEO and Managing Director in respect of whom such matters are reserved for the Board), the Committee is responsible for reviewing, monitoring and making recommendations to the Board on the following:

- (a) disclosing policies and practices regarding remuneration in accordance with the guidelines for:
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- (i) composition;
 - (ii) fixed remuneration;
 - (iii) performance-based remuneration;
 - (iv) equity-based remuneration; and
 - (v) termination payments.
- (b) the Company's recruitment, retention and termination policies and procedures;
 - (c) monitoring succession plans to maintain an appropriate balance of skills and diversity and reviewing those succession plans;
 - (d) assessing the market and where necessary seeking external advice to ensure that employees are being rewarded with remuneration packages commensurate with their responsibilities and make recommendations to the Board on any incentive scheme and any proposed changes;
 - (e) the outcomes of short-term objectives with the aim of rewarding individuals fairly and equitably, and in line with company performance;
 - (f) the progress against long term performance hurdles and make recommendations on equity allocations;
 - (g) recommendations from the Chief Executive Officer and Managing Director relating to proposed merit increases for direct reports;
 - (h) the Company's superannuation arrangements for employees;
 - (i) whether there is any gender or other inappropriate bias in remuneration for employees; and
 - (j) related party remuneration.

3. ADMINISTRATION

3.1 Membership

The Committee shall comprise the following membership structure:

- (a) at least 3 members comprised solely of non-executive directors;
- (b) a majority of independent non-executive director members; and
- (c) an independent Chairperson appointed by the Board.

3.2 Chairperson

A member of the Committee who is an independent director and who is not the chair of the Board shall be elected by the Board as Chairperson of the Committee.

3.3 Secretary

The Company Secretary shall be the Secretary of the Committee.

3.4 Quorum

A quorum shall be two members who are independent non-executive directors.

3.5 Voting

A resolution of the Committee requires the agreement of a majority of members present. In the event of there being an equality of votes, the chairman, in addition to the chairman's deliberative vote, has a casting vote.

3.6 Meetings

Committee meetings will be held at least twice annually.

3.7 Records and Reporting

- (a) The Committee shall establish and maintain files, which will contain the following:
 - (i) this Charter document (which shall also be available on the Company's website);
 - (ii) copies of the confirmed minutes of all meetings of the Committee;
 - (iii) copies of all written submissions to the Board by the Committee and copies of the confirmed Board minutes relating to such submissions; and
 - (iv) details of any changes to the composition of the Committee or its Charter.
- (b) The Committee may report to the Board at any time on any matter as the Committee sees fit.
- (c) Minutes of the Committee meetings will be kept and provided to the Board at the next meeting following the Committee meeting to which the minutes relate, along with any recommendation of the Committee.

3.8 Conflicts of Interest

Members of the Committee will not be present or vote on matters that involve a conflict of interest or involve relatives or close friends of the relevant member.

3.9 Access to Information

- (a) The Committee is authorised by the Board to investigate any activity within its Charter. To perform its duties, the Committee is authorised to seek any information it requires from any employee and all employees are directed to cooperate with any request made by the Committee.
- (b) The Committee is authorised by the Board to obtain external legal or other independent professional advice and to secure the attendance of outsiders with relevant experience and expertise at its meetings if it considers this necessary to perform its duties.

3.10 Authority

The Committee has no decision-making power and is required to make recommendations to the Board on all matters within its Charter.

3.11 Review and Revocation

- (a) The performance of the Committee will be reviewed annually by the Board.
- (b) The Committee will review the Committee Charter every two years and recommend required changes to the Board for approval.

- (c) Any previous People, Culture, and Governance Committee Charter is revoked with effect from the date of this Charter.



Bruce Phillips
Chairman

Effective Date: 17 September 2021