

## Tamboran Resources Limited Corporate Governance Statement

### Overview

Tamboran Resources Limited (**Tamboran** or the **Company**) [ASX:TBN] and its Board of Directors (**Board**) are committed to having the highest standards of ethical behaviour and an effective system of corporate governance for the Company, commensurate with its size and scope of operations.

In accordance with ASX Listing Rule 4.10.3, set out below are the ASX Corporate Governance Council's eight Corporate Governance Principles and Recommendations, 4<sup>th</sup> Edition (**ASX Governance Recommendations**) and how the Board has applied each principle and the recommendations for the financial year ended 30 June 2023 (FY2023).

The Company is fully supportive of the "if not, why not" disclosure-based approach to governance adopted by the ASX Governance Recommendations. It also supports the recognition within the ASX Governance Recommendations that there is no single model of corporate governance, and that good corporate governance practice is not restricted to adopting the recommendations contained in the ASX Governance Recommendations. Tamboran's policies and practices in FY2023 complied with the ASX Governance Recommendations except to the extent otherwise indicated.

### Principle 1: Lay solid foundations for management and oversight

#### *Roles and responsibilities of the Board and management*

The Board operates in accordance with the Board Charter, which is available on the Company's website. In carrying out its responsibilities, the Board will at all times recognise its overriding responsibility to act honestly, fairly, diligently and in accordance with the duties and obligations imposed upon it by the Company's constitution and the law.

Among other things, the Board has specific responsibility for:

- (a) ensuring Tamboran is properly managed by overseeing the appointment, retention, succession and where appropriate the removal of the Managing Director, the Company Secretary and senior management;
- (b) implementing and monitoring all capital budgets and annual financial budgets;
- (c) monitoring the financial performance of the Company;
- (d) approving and monitoring financial and other reporting, including the annual and half yearly financial reports and liaising with the Company auditors;
- (e) reviewing procedures and practices employed in relation to health, safety, sustainability and the environment and to assess their adequacy;
- (f) setting the risk appetite within which it expects management to operate and satisfying itself that the Company has an appropriate risk management framework in place;
- (g) monitoring continuous disclosure policy and procedures; and
- (h) conducting regular reviews of the Company's corporate governance policies particularly policies that must change as a result of the growth of the Company.

The Board must convene regular meetings with such frequency as is sufficient to appropriately discharge its duties and responsibilities.

The Board may establish committees to assist it in carrying out its responsibilities, consisting of such members to fulfil those responsibilities. The Board shall adopt charters setting out matters relevant to the composition, responsibilities and administration of such committees, and other matters the Board may consider appropriate.

The Managing Director is responsible for managing the day-to-day affairs of the Company under the delegated authority from the Board and to implement the policies and strategy set by the Board. The Managing Director is responsible for delivering timely and accurate information to the Board. The role of senior management is to support the Managing Director. Management is required to report directly to the Managing Director, however if the matter concerns the Managing Director, then management is required to report to the Chairman.

#### *Process for appointment of new Directors and senior executives*

Prior to the appointment of Directors and senior executives, appropriate checks are undertaken into a candidate's character, experience, education, criminal record, drug and alcohol history and bankruptcy history.

Relevant details in respect of each Director standing for election or re-election by shareholders are contained within the explanatory notes of the Notice of Annual General Meeting.

Director and senior executive biographies are provided in the Annual Report.

#### *Written agreements with Directors and senior executives*

Each Director and every senior executive has a written agreement setting out the terms of their appointment or employment.

#### *Company Secretary*

The Company Secretary is accountable to the Board, through the Chairman, on relevant matters relating to the proper functioning of the Board.

#### *Diversity Policy*

The Board has adopted a Diversity Policy, which is available on the Company's website.

The Diversity Policy sets out the positive steps taken by the Company to ensure that current and prospective employees are not discriminated against, either directly or indirectly, based on gender, marital or family status, sexual orientation, gender identity, age, race, disabilities, ethnicity, religion beliefs, socio-economic or culture background, perspective and experience.

#### *Performance evaluation*

The Board will, with the advice and assistance of the Nomination and Governance Committee, review and evaluate the performance of the Board, each Board committee and each individual Director against the relevant charters, corporate governance policies, and agreed goals and objectives. The Board, with assistance of the Nomination and Governance Committee will conduct these evaluations every one to two years. The requirement for these evaluations is set out in the Board Charter, and Nomination and Corporate Governance Charter. A number of reviews of the Board, Committees and each Director were undertaken in FY2021 as the Board prepared to undertake an initial public offer on the Australian Securities Exchange. Further reviews of the Board's needs, composition and performance were conducted in during FY2022 and FY2023, in relation to its expanding operations.

Compensation related performance reviews for the Managing Director and senior management take place at least annually. The Remuneration Committee has accountability in its charter to oversee these reviews and report to the Board on their outcomes. Disclosures in the remuneration section of the Directors Report in the Company's Annual Report are made in relation to each reporting period as to the performance evaluations that were undertaken and the process that was followed.

## **Principle 2: Structure the Board to be effective and add value**

### *Appointment and renewal*

The Board has an established Nomination and Governance Committee. The charter for the Nomination and Governance Committee is available on the Company's website. The current members of the Nomination and Governance Committee are:

- Fred Barrett (Chairman, independent, non-executive director);
- Andrew Robb (independent, non-executive director); and
- John Bell (not independent, non-executive director).

The Nomination and Governance Committee held two meetings during FY2023, which all members elected at the relevant time attended.

### *Board skills matrix*

The Board has been structured to ensure that it has the necessary skills and expertise, considering the circumstances of the Company, and can effectively represent stakeholder interests. The overall skills and expertise of Tamboran's Board of Directors encompasses oil and gas, health, safety, environment and sustainability, geology, engineering, corporate finance, legal, investor relations, financial literacy, risk management, capital and public markets, commercial marketing, M&A, and regulatory.

The Board as presently constituted provides an effective mixture and balance of skills and expertise in order to achieve the Company's strategic objectives.

### *Independence and majority*

In determining whether a director is "independent", the Board has adopted the definition of this word in the ASX Governance Recommendations. Consequently, a director will be considered "independent" if that director is free of any interest, position or relationship that might influence, or reasonably be perceived to influence, in a material respect their capacity to bring an independent judgement to bear on issues before the Board and to act in the best interests of the entity as a whole. The Board will consider the materiality of any given relationship on a case-by-case basis, with the Board Charter to assist in this regard.

The Board considers that Dick Stoneburner, Fred Barrett, Patrick Elliot and Andrew Robb are independent Directors, free from any business or any other relationship that could materially interfere with, or could reasonably be perceived to interfere with, the independent exercise of those Directors' judgement and each is able to fulfil the role of an independent director as recommended in the ASX Governance Recommendations.

David Siegel is not considered to be independent as he is a "substantial shareholder". John Bell is not considered to be independent as he is an executive of Helmerick & Payne, with which the Company has significant dealings.

Biographical information and the length of service in respect of each Director is set out in the Company's Annual Report.

As at 30 June 2023, the Board was comprised of seven directors; one director is an executive, four directors are independent and two directors are currently considered not to be independent. Therefore, a majority of the Board is considered independent.

The Company considers that the composition of the Board is appropriate given the size and specialist nature of the Company's business.

The Chairman is an independent director and facilitates the effective contribution of all directors at Board meetings. The roles of Chair and Managing Director are exercised by different individuals.

Under the constitution of the Company, the Directors, other than the Managing Director, are obliged to present one third of themselves for retirement and potential re-election at each annual general meeting of the Company.

### *Director induction and professional development*

All non-executive directors have had an induction into the business of the Company prior to accepting their appointment and have received continuing information on the Company and its operations since being appointed. For new directors, the induction process included presentations by management and correspondence with existing directors. Directors are also given access to continuing education in relation to the Company extending to its business, the industry in which it operates, and other information required by them to discharge the responsibilities of their office.

### **Principle 3: Instill a culture of acting lawfully, ethically and responsibly**

#### *Company Values*

In addition to overseeing the performance and operations of the Company, the Board is responsible for setting the core values of the Company. These values underpin the Company's culture and inform the behaviours and decision making of all employees. Our core values are leadership, sustainability, integrity, diversity and inclusion, courage, and commitment. These values underpin everything that we do and are central to our Code of Conduct.

Material breaches of the Anti-Bribery and Corruption Policy, Code of Conduct, Securities Trading Policy and Whistleblower Protection Policy are reported to the Board and/or subcommittees, as appropriate. This assists to inform the Board about the ongoing values and culture of the company and breaches are regarded seriously and may lead to disciplinary action, including dismissal.

The Company's core values are put into action in our six-pillar sustainability model:

1. We put the health and safety of our people, contractors and community first
2. We play an effective role in the transition to a lower carbon economy
3. We meet or exceed environment performance requirements
4. We attract, develop and retain a diverse, inclusive and competent workforce
5. We partner with our local and host communities to share value
6. We generate economic growth and value for our investors, employees, customers and communities through sustainable production of affordable gas resources and distribution to multiple markets

The Sustainability Plan can be found in the Sustainability section of the Company's website.

#### *Anti-Bribery and Corruption Policy*

The Company has zero tolerance to bribery and corruption and has adopted an Anti-Bribery and Corruption Policy to promote the highest standard of ethical culture and compliance with all relevant legislation.

The Anti-Bribery and Corruption Policy is available on the Company's website.

#### *Code of Conduct*

The Company has adopted a Code of Conduct reflecting its values and culture and is designed to ensure that the Directors, senior executives, employees and the Company act ethically and responsibly, bearing in mind the Directors' duties under the Corporations Act and the interest of the Company's shareholders and stakeholders.

The Code of Conduct is available on the Company's website.

#### *Securities Trading Policy*

The Company has adopted a Securities Trading Policy, which is described below under Principle 7.

### *Whistleblower Protection Policy*

The Company maintains a Whistleblower Protection Policy reflecting its commitment to maintaining an open working environment in which employees feel safe to raise issues of unethical, unlawful or unacceptable conduct without fear of any retaliatory action.

The Whistleblower Protection Policy is available on the Company's website.

### **Principle 4: Safeguard the integrity of corporate reports**

#### *Audit and Risk Management Committee*

The Board has established a combined Audit and Risk Management Committee. The charter for the Audit and Risk Management Committee is available on the Company's website. The current members of the Audit and Risk Management Committee are:

- Patrick Elliott (Chairman, independent, non-executive director);
- David Siegel (non-independent, non-executive director); and
- Andrew Robb (independent, non-executive director).

The Company considers that the commercial, accounting and finance expertise offered by these directors is valuable to the Audit and Risk Management Committee. The majority of the Audit and Risk Management Committee members are considered independent, including the Chairman of the Committee. The Audit and Risk Management Committee held two meetings during FY2023, which all members elected at that time attended.

#### *Written Declarations*

Prior to approving the Company's financial statements, the Board receives from the CEO and the CFO written declarations concerning the Company's financial statements required by the Corporations Act as set out in the Directors' Declaration in the Company's Annual Report. In respect of the financial statements for each financial year, the Board also receives from the CEO and the CFO written declarations that, in their opinion, the financial records of the Company have been properly maintained and that the financial statements comply with the appropriate accounting standards and give a true and fair view of the financial position and performance of the Company and that the opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.

#### *External Auditors*

The Audit and Risk Management Committee is responsible for making recommendations to the Board on the appointment, remuneration, effectiveness and independence of the external auditor. The performance of the external auditor is reviewed regularly. Ernst & Young (EY) is the current Company's external auditor. It is EY's policy to rotate audit engagement partners on listed companies at least every five years.

An analysis of fees paid to the external auditors, including a break-down of fees for non-audit services, is provided in the 2023 financial statements.

It is the policy of the external auditors to provide an annual declaration of their independence to the Audit and Risk Management Committee. The Company's external auditor will attend the AGM and make themselves available to answer questions from shareholders relevant to the conduct of the audit and the preparation and content of the audit report.

#### *Verification of Periodic Corporate Reports*

The Company is committed to providing clear, concise and factual disclosure of material information to all investors in its corporate reports. The Company has adopted a process for the preparation, verification and approval of corporate reports to check the accuracy of those reports.

Information published in the Company's periodic corporate reports which have not been externally audited are verified by senior management and if required, approved by the Board prior to release to the market.

## **Principle 5: Make timely and balanced disclosure**

### *Continuous disclosure*

The Board has established a written Disclosure Policy and Shareholder Communication Policy to ensure compliance with ASX Listing Rule disclosure requirements and to ensure accountability for compliance.

The Disclosure Policy and Shareholder Communication Policy are available on the Company's website.

### *Board visibility of Material Market announcements*

The Company ensures that its Board receives copies of all material market announcements promptly after they have been made.

### *Disclosure of Investor or Analyst presentations*

Where the Company gives a new and substantive investor or analyst presentation it will release a copy of the presentation materials on the ASX Market Announcements Platform ahead of the presentation.

## **Principle 6: Respect the rights of security holders**

### *Shareholder access to information*

The Directors aims to provide shareholders with comprehensive and timely access to Company documents and releases through the investor relations section of the Company's website: [www.tamboran.com](http://www.tamboran.com).

The Company's website contains information about Tamboran, including annual reports, quarterly and half yearly reports, ASX announcements, market releases and related information.

Relevant information relating to the Company's governance practices and policies are also available on its website.

### *Shareholder relations*

The Company has an investor relations program to facilitate effective two-way communication with investors.

### *Participation at the Annual General Meeting*

The Board has adopted the Shareholder Communication Policy and provides shareholders with opportunities to have questions addressed at shareholder meetings.

The Company ensures that all substantive resolutions at a meeting of security holders are decided by a poll rather than by a show of hands.

The avenues available to shareholders to participate include the Proxy Form and questions at the appropriate time during the course of security holder meetings.

### *Online Communications*

Tamboran continues to embrace technology in making information and participation easier, more accessible and transparent. This includes using the technology developed by our registrar to facilitate email communication as well as online voting for general meetings of the Company. In particular, all shareholders have the option to receive communications from, and send communications to, the Company and its security registry electronically.

## **Principle 7: Recognise and manage risk**

### *Audit and Risk Management Committee*

The Board is responsible for satisfying itself that management has developed and implemented a sound system of risk management and internal control.

The Board has delegated responsibility for reviewing and monitoring the effectiveness of Tamboran's risk management framework to the Audit and Risk Management Committee.

### *Environment, Social and Governance (ESG) Committee*

The Board has formed an Environment, Social and Governance (ESG) Committee. The charter for the ESG Committee is available on the Company's website. The current members of the ESG Committee are:

- Andrew Robb (Chairman, independent, non-executive director);
- Fred Barrett (independent, non-executive director); and
- Patrick Elliot (independent, non-executive director).

The ESG Committee is responsible for reviewing the company's climate change, environment, community, and stakeholder plans and assessing performance. The ESG Committee held three meetings during FY2023, which all members elected at that time attended.

The ESG Committee is also responsible for endorsing Tamboran's Climate Change Policy. The Climate Policy is a commitment by the Board for accountability across Tamboran to manage climate change risk, achieve the Company's Net Zero Scope 1 and 2 GHG targets, and contribute to an orderly energy transition.

Tamboran's Climate Change policy is available on the Company's website.

### *Risk Management Framework*

A review of the risk management statement has been carried out by the Audit and Risk Management Committee during this financial year.

### *Internal audit function*

The Company does not have an internal audit function due to its current size.

The Audit and Risk Management Committee monitors the need for an internal audit function. The Company's management periodically undertakes an internal review of financial systems and processes and where systems are considered to require improvement, these systems are developed. The Company's external auditor is consulted for advice by the Audit and Risk Management Committee. At this stage the Company's operational and financial functions are not complex, and all expenditure authorisations are undertaken in accordance with a comprehensive matrix of delegated authority.

### *Material exposure to risks*

As an unconventional gas exploration company, Tamboran faces inherent risks in its activities, including operational, economic, environmental, social sustainability and regulatory risks which may have a material impact on the Company's ability to create value for its shareholders.

The Board regularly monitors the operational and financial performance of the Company's activities. It monitors and receives advice on areas of operation and financial risks and considers strategies for appropriate risk management. All operational and financial strategies adopted are aimed at responsibly improving the value of the Company's shares. However, the Directors recognise that natural resource exploration and evaluation is inherently risky.

Climate change and greenhouse gas risks are assessed in the same way as other financial risks. As part of Tamboran's climate change risk review, we begin by assessing any changes in our own operating environment. This includes legislative and regulatory changes in Australia or the Northern Territory; new investor expectations or reporting recommendations, industry led commitments, emerging stakeholder concerns, and technological advancements.

We then consider if the likelihood or impact of our climate risks have changed, or if there are new risks to evaluate. Finally, we review our controls to assess whether they are effectively managing the risks and if we need to implement additional controls.

Further details of the Company's principal risks and uncertainties can be found in the Operating and Financial Review section of the 2023 Annual Report.

## **Principle 8: Remunerate fairly and responsibly**

### *Remuneration Committee*

The Board has formed a Remuneration Committee. The current members of the Remuneration Committee are:

- David Siegel (Chairman, non-independent, non-executive director);
- John Bell (non-independent, non-executive director); and
- Fred Barrett (independent, non-executive director).

The Chair, David Siegel, is not considered independent due to having a substantial holding in the Company in the past 12 months; however, the Company appointed David Siegel as Chair given his background, skills and experience. The Remuneration Committee held two meetings during FY2023, which all members elected at that time attended.

The charter for the Remuneration Committee is available on the Company's website.

### *Directors' remuneration policy*

The structure of Non-Executive Directors' remuneration is distinguished from that of executives.

Remuneration for Non-Executive Directors is fixed. Neither the Non-Executive Directors nor the Executives of the Company receive any retirement benefits, other than superannuation.

The Managing Director is employed pursuant to an employment agreement. A summary of the Managing Director's employment agreement is set out in the remuneration section of the Directors report in the Annual Report.

### *Equity-based remuneration scheme*

The Company has adopted a Securities Trading Policy for directors and senior management, which is appropriate for a Company whose shares are trading on the ASX, and the Company will take all reasonable steps to ensure compliance by these individuals. The Company's Securities Trading Policy specifically prohibits Directors and senior management from engaging in short-term trading in the Company's securities.

The Securities Trading Policy is summarised as follows:

- Consistent with the legal prohibitions on insider trading contained in the Corporations Act 2001 (Cth), all directors and senior management are prohibited from dealing in the Company's securities while in possession of Inside Information;
- Inside Information is information that is not generally available to the public and, if it were generally available, a reasonable person would expect to have a material effect on the price or value of the Company's securities.

Any director or senior management, whilst in possession of Inside Information, is subject to three restrictions:

1. they must not deal in Tamboran securities at any time;
2. they must not procure anyone else to deal in Tamboran securities in any way; and



3. they must not pass on any Inside Information to another person for that person's own personal gain by dealing in Tamboran securities in any way.

Directors and senior management are required to seek approval from a defined Authorising Officer (which cannot be themselves) and confirm they are not in possession of any Inside Information, prior to dealing in the Company's securities. If a director or senior management is considered to possess Inside Information, they will be precluded from making a security transaction until one trading day after the time of public release of that information.

The Securities Trading Policy is available on the Company's website.

**Approved by the Board of Tamboran Resources Limited**

**Dated: 27 September 2023**