



ASSESSING THE INDEPENDENT DIRECTORS POLICY

ASSESSING THE INDEPENDENT DIRECTORS POLICY

Armour Energy Limited (“COMPANY”)

An independent Director is a Non-Executive Director who is free of any interest, position, association or relationship that might influence, or be perceived to influence, his or her capacity to bring an independent judgement to bear on issues before the Board and to act in the best interests of the entity and its security holders.

The Board assesses the independence of each Non-Executive Director and each Non-Executive Director should provide the Board with all the information that may be relevant to such assessment. In determining a Director’s independence the Board considers those defining characteristics of an independent Director as set out in Box 2.3 of the ASX Corporate Governance Council’s *Corporate Governance Principles and Recommendations* (3rd edition) as follows:

Examples of interests, positions, associations and relationships that might cause doubts about the independence of a Director include if the Director:

- is, or has been, employed in an executive capacity by the entity or any of its related entities and there has not been a period of at least three years between ceasing such employment and serving on the board;
- is, or has within the last three years been, a partner, shareholder, Director or senior employee of a professional adviser or consultant to the entity or any of its related entities;
- is, or has within the last three years been, a material supplier or customer of the entity or any of its related entities, or an officer of, or otherwise associated directly or indirectly with, such a supplier or customer;
- is a substantial shareholder of the entity or an officer of, or otherwise associated directly or indirectly with, a substantial shareholder of the entity;
- has a material contractual relationship with the entity or its related entities other than as a Director;
- has close family ties with any person who falls within any of the categories described above; or
- has been a Director of the entity for such a period that his or her independence may have been compromised.

In each case, the materiality of the interest, position, association or relationship needs to be assessed 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 entity and its security holders generally.