

Vintage Energy Limited

ACN 609 200 580

Corporate governance statement

This statement outlines the corporate governance practices adopted by Vintage Energy Limited (**Company**) throughout FY2019.

Copies of governance related documents referred to in this statement can be found on the Company's website at <https://www.vintageenergy.com.au/governance-policies>

1. Principle 1 – Lay solid foundations for management and oversight	
	A listed entity should establish and disclose the respective roles and responsibilities of its board and management and how their performance is monitored and evaluated.
1.1	<p>ASX Recommendation 1.1</p> <p>A listed entity should disclose:</p> <ul style="list-style-type: none"> a. the respective roles and responsibilities of its board and management; and b. those matters expressly reserved to the board and those delegated to management.
	<p>The Company has adopted a Board Charter which sets out the roles and responsibilities of the Board and management. A copy of the Board Charter is located on the Company's website.</p> <p>The role of the Board is to provide leadership for and supervision over the Company's affairs. The Board is responsible for promoting the success of the Company through its key functions of overseeing the management of the Company, providing overall corporate governance of the Company, monitoring its financial performance, engaging appropriate management commensurate with the Company's structure and objectives, involvement in the development of corporate strategy and performance objectives, and reviewing, ratifying and monitoring systems of risk management and internal control, codes of conduct and legal compliance.</p> <p>The Managing Director is responsible for running the affairs of the Company under delegated authority from the Board and implementing the policies and strategy set by the Board. Management is responsible for supporting and assisting the Managing Director in implementing the running of the operations and financial aspects of the Company, in accordance with the delegated authority of the Board. Management is responsible for reporting all matters which fall within the Company's materiality thresholds at first instance to the Managing Director or, if the matter concerns the Managing Director, directly to the Chairman.</p>
1.2	<p>ASX Recommendation 1.2</p> <p>A listed entity should:</p> <ul style="list-style-type: none"> a. undertake appropriate checks before appointing a person, or putting forward to security holders a candidate for election, as a director; and b. provide security holders with all material information in its possession relevant to a decision on whether or not to elect or re-elect a director.
	<p>The Company undertakes appropriate checks on candidates before appointing them or putting them forward for re-election as Directors, including checks on character, experience and education.</p> <p>Details of the relevant skills, experience and expertise of the Directors are included in the Annual Report, as well as in each notice of meeting given to shareholders where a Director is standing for election or re-election.</p>

1.3	<p>ASX Recommendation 1.3</p> <p>A listed entity should have a written agreement with each director and senior executive setting out the terms of their appointment.</p>	<p>The Company has written agreements in place with each Director and senior executive which set out the terms of their appointment.</p>
1.4	<p>ASX Recommendation 1.4</p> <p>The company secretary of a listed entity should be accountable directly to the board, through the chair, on all matters to do with the proper functioning of the board.</p>	<p>The Company Secretary reports directly to the Managing Director but has a direct line of communication with the Chairman and all Directors. The Company Secretary is responsible for supporting the proper functioning of the Board including, but not limited to, providing advice on governance and procedural issues and the preparation of Board papers and minutes. The Company Secretary's duties are disclosed in the Board Charter.</p>
1.5	<p>ASX Recommendation 1.5</p> <p>A listed entity should:</p> <ol style="list-style-type: none"> a. have a diversity policy which includes requirements for the board or a relevant committee of the board to set measurable objectives for achieving gender diversity and to assess annually both the objectives and the entity's progress in achieving them; b. disclose that policy or a summary of it; and c. disclose as at the end of each reporting period the measurable objectives for achieving gender diversity set by the board or a relevant committee of the board in accordance with the entity's diversity policy and its progress towards achieving them, and either: <ol style="list-style-type: none"> 1. the respective proportions of men and women on the board, in senior executive positions and across the whole organisation (including how the entity has defined "senior executive" for these purposes); or 2. if the entity is a "relevant employer" under the Workplace gender Equality Act, the entity's most recent "Gender Equality Indicators", as defined in and published under that Act. 	<p>The Company has a Diversity Policy, a copy of which is disclosed on the Company website. The Diversity policy recognizes that it is the Board's responsibility to foster an environment where:</p> <ol style="list-style-type: none"> (a) individual differences are respected; (b) the ability to contribute and access employment opportunities is based on performance, skill and merit; and (c) inappropriate attitudes, behaviours and stereotypes are confronted and eliminated. <p>The Board did not establish measurable objectives for achieving gender diversity during the reporting period. It has determined that it is appropriate for an organisation of the size and nature of the Company to provide management with the appropriate authority to engage people with the relevant skills, knowledge, experience, wisdom, temperament and mental processing ability that management believes are necessary for the relevant role.</p> <p>As at 30 June 2019 the Company had 22% females in its workforce.</p> <p>As at the date of this report, the Company has 3 Non-executive Directors and 2 senior executives* (including the Managing Director), all of whom are male. The Nomination and Remuneration Committee reviews the composition and structure of the Board at least annually to ensure it is suitable to achieve long-term shareholder wealth. The outcome of this review is reported to and considered by the Board.</p> <p>*Senior executive positions include the Managing Director, and Company Secretary</p>

<p>1.6</p>	<p>ASX Recommendation 1.6</p> <p>A listed entity should:</p> <ul style="list-style-type: none"> a. have and disclose a process for periodically evaluating the performance of the board, its committees and individual directors; and b. disclose, in relation to each reporting period, whether a performance evaluation was undertaken in the reporting period in accordance with that process. 	<p>The Chairman is responsible for the ongoing evaluation of the Board, Board committees and individual Directors. The Nomination and Remuneration Committee and the Chairman of the Board are responsible for evaluating the performance of the Managing Director.</p> <p>The Managing Director's performance is evaluated as part of the annual remuneration process and is reviewed against the role description in the employment contract and general industry standards expected of a Managing Director carrying on that role.</p> <p>The Chairman and the Board regularly review the performance and composition of the Board and its various committees, considering issues or concerns as they arise. This ongoing process is conducted internally. This process involves the Chairman circulating to members of the Board a detailed questionnaire on performance indicators and collating the data from the same before discussing with each member of the Board and reviewing performance indicators, to assess the effectiveness of processes structure and contributions made by individual directors.</p> <p>An evaluation of the performance of the Board was completed by the Chairman during the year under review.</p>
<p>1.7</p>	<p>ASX Recommendation 1.7</p> <p>A listed entity should:</p> <ul style="list-style-type: none"> a. have and disclose a process for periodically evaluating the performance of its senior executives; and b. disclose, in relation to each reporting period, whether a performance evaluation was undertaken in the reporting period in accordance with that process. 	<p>The Company has in place a formal process for evaluating the performance of senior executives each year. The Managing Director is responsible for evaluating the performance of senior executives directly reporting to him, whilst the Board evaluates the Managing Director's performance. The evaluation process incorporates a self-evaluation component as well as a written performance appraisal. A follow up meeting is then held with the Managing Director at which performance objectives are set for the following year.</p> <p>During the reporting period all performance reviews for senior executives were conducted in accordance with the process described above.</p>

2. Principle 2 – Structure the board to add value

A listed entity should have a board of an appropriate size, composition, skills and commitment to enable it to discharge its duties effectively.

2.1 **ASX Recommendation 2.1**
 The board of a listed entity should:

a. have a nomination committee which:

1. has at least three members, a majority of whom are independent directors; and
2. is chaired by an independent director, and disclose:
3. the charter of the committee;
4. the members of the committee; and
5. as at the end of each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or

b. if it does not have a nomination committee, disclose that fact and the processes it employs to address board succession issues and to ensure that the board has the appropriate balance of skills, knowledge, experience, independence and diversity to enable it to discharge its duties and responsibilities effectively.

The Board has a Nomination Committee which meets at least twice a year. The Committee has a formal charter, a copy of which is available on the Company's website.

Members of the Committee and the number of meetings held during the year ended 30 June 2019 are as follows:

Director	Meetings attended	Meetings held during Director's membership of committee
Ian Howarth (Chair)	2	2
Reg Nelson	2	2
Nick Smart	2	2

A majority of the members of the Committee are independent Directors.

2.2	<p>ASX Recommendation 2.2</p> <p>A listed entity should have and disclose a board skills matrix setting out the mix of skills and diversity that the board currently has or is looking to achieve in its membership.</p>	<p>A profile of each Director setting out their skills, experience, expertise and period of office is set out in the Directors' Report in the Annual Report.</p> <p>A summary of the key skills and experience comprised within the Board are as follows: The Nomination committee uses this matrix to set the skills required should a Board member be required and to identify areas where additional support may be needed for the Board by way of external advice.</p> <table border="1" data-bbox="1155 405 1823 1279"> <thead> <tr> <th data-bbox="1155 405 1644 485">Skills and experience</th> <th data-bbox="1644 405 1740 485">Yes</th> <th data-bbox="1740 405 1823 485">No</th> </tr> </thead> <tbody> <tr> <td data-bbox="1155 485 1644 533">Leadership and governance</td> <td data-bbox="1644 485 1740 533"></td> <td data-bbox="1740 485 1823 533"></td> </tr> <tr> <td data-bbox="1155 533 1644 580">Management and executive leadership</td> <td data-bbox="1644 533 1740 580">3</td> <td data-bbox="1740 533 1823 580">1</td> </tr> <tr> <td data-bbox="1155 580 1644 628">Governance, legal and regulatory</td> <td data-bbox="1644 580 1740 628">2</td> <td data-bbox="1740 580 1823 628">2</td> </tr> <tr> <td data-bbox="1155 628 1644 676">Strategy</td> <td data-bbox="1644 628 1740 676">4</td> <td data-bbox="1740 628 1823 676">0</td> </tr> <tr> <td data-bbox="1155 676 1644 724">Risk management</td> <td data-bbox="1644 676 1740 724">2</td> <td data-bbox="1740 676 1823 724">2</td> </tr> <tr> <td data-bbox="1155 724 1644 772">Industry and operational experience</td> <td data-bbox="1644 724 1740 772"></td> <td data-bbox="1740 724 1823 772"></td> </tr> <tr> <td data-bbox="1155 772 1644 820">Oil and Gas</td> <td data-bbox="1644 772 1740 820">4</td> <td data-bbox="1740 772 1823 820">0</td> </tr> <tr> <td data-bbox="1155 820 1644 868">Engineering and major projects</td> <td data-bbox="1644 820 1740 868">1</td> <td data-bbox="1740 820 1823 868">3</td> </tr> <tr> <td data-bbox="1155 868 1644 916">Health, safety and environment</td> <td data-bbox="1644 868 1740 916">2</td> <td data-bbox="1740 868 1823 916">2</td> </tr> <tr> <td data-bbox="1155 916 1644 963">Risk</td> <td data-bbox="1644 916 1740 963"></td> <td data-bbox="1740 916 1823 963"></td> </tr> <tr> <td data-bbox="1155 963 1644 1011">Accounting and audit</td> <td data-bbox="1644 963 1740 1011"></td> <td data-bbox="1740 963 1823 1011">4</td> </tr> <tr> <td data-bbox="1155 1011 1644 1059">Finance, investment and acquisitions</td> <td data-bbox="1644 1011 1740 1059">3</td> <td data-bbox="1740 1011 1823 1059">1</td> </tr> <tr> <td data-bbox="1155 1059 1644 1107">Mergers and acquisitions</td> <td data-bbox="1644 1059 1740 1107">4</td> <td data-bbox="1740 1059 1823 1107">0</td> </tr> <tr> <td data-bbox="1155 1107 1644 1155">People</td> <td data-bbox="1644 1107 1740 1155"></td> <td data-bbox="1740 1107 1823 1155"></td> </tr> <tr> <td data-bbox="1155 1155 1644 1203">Human resources</td> <td data-bbox="1644 1155 1740 1203">1</td> <td data-bbox="1740 1155 1823 1203">3</td> </tr> <tr> <td data-bbox="1155 1203 1644 1251">Investor Communications</td> <td data-bbox="1644 1203 1740 1251">4</td> <td data-bbox="1740 1203 1823 1251">0</td> </tr> </tbody> </table>	Skills and experience	Yes	No	Leadership and governance			Management and executive leadership	3	1	Governance, legal and regulatory	2	2	Strategy	4	0	Risk management	2	2	Industry and operational experience			Oil and Gas	4	0	Engineering and major projects	1	3	Health, safety and environment	2	2	Risk			Accounting and audit		4	Finance, investment and acquisitions	3	1	Mergers and acquisitions	4	0	People			Human resources	1	3	Investor Communications	4	0
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2.3	<p>ASX Recommendation 2.3</p> <p>A listed entity should disclose:</p> <ol style="list-style-type: none"> the names of the directors considered by the board to be independent directors; if a director has an interest, position, association or relationship of the type described in Box 2.3 but the board is of the opinion that it does not compromise the independence of the director, the nature of the interest, position, association or relationship in question and an explanation of why the board is of that opinion; and the length of service of each director. 	<p>The Board consists of the Managing Director and three non-executive Directors (including the Chairman). The Board, having regard to the ASX Corporate Governance Principles and Recommendations, considers that three of the four Directors can be classified as independent Directors: Mr. Reg Nelson (Chairman), Mr. Ian Howarth and Mr. Nick Smart.</p> <p>Mr. Neil Gibbins is not classified as an independent Director as he is the current Managing Director.</p> <p>Consistent with the ASX Corporate Governance Principles and Recommendations, the Board is comprised of a majority of independent Directors.</p> <p>Directors must keep the Board advised, on an ongoing basis, of any interest that could potentially conflict with those of the Company. The Board has developed procedures to assist Directors with disclosure of conflicts of interest.</p> <p>Information regarding relevant skills, experience and expertise of the Directors of the Company as at the date of this Statement is included in the 2019 Annual Report. As at 30 June 2019 the period each Director was in office is as follows:</p> <table border="1" data-bbox="808 544 1563 804"> <thead> <tr> <th>Director</th> <th>Period</th> </tr> </thead> <tbody> <tr> <td>Mr. Reg Nelson</td> <td>2 years</td> </tr> <tr> <td>Mr. Ian Howarth</td> <td>3 years</td> </tr> <tr> <td>Mr. Nick Smart</td> <td>3 years</td> </tr> <tr> <td>Mr. Neil Gibbins</td> <td>2 years</td> </tr> </tbody> </table>	Director	Period	Mr. Reg Nelson	2 years	Mr. Ian Howarth	3 years	Mr. Nick Smart	3 years	Mr. Neil Gibbins	2 years
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Mr. Reg Nelson	2 years											
Mr. Ian Howarth	3 years											
Mr. Nick Smart	3 years											
Mr. Neil Gibbins	2 years											
2.4	<p>ASX Recommendation 2.4</p> <p>A majority of the board of a listed entity should be independent directors.</p>	<p>As noted above, the Board considers that three out of the four of the Directors can be classified as independent Directors. Therefore, a majority of the Board are independent Directors.</p>										
2.5	<p>ASX Recommendation 2.5</p> <p>The chair of the board of a listed entity should be an independent director and, in particular, should not be the same person as the CEO of the entity.</p>	<p>The Chairman (Mr. Reg Nelson) is an independent Director.</p>										
2.6	<p>ASX Recommendation 2.6</p> <p>A listed entity should have a program for inducting new directors and provide appropriate professional development opportunities for directors to develop and maintain the skills and knowledge needed to perform their role as directors effectively.</p>	<p>The Nomination and Remuneration Committee reviews the skills, experience and expertise of prospective and current Directors and ascertains any shortcomings and/or development requirements. It also oversees induction programs and ongoing education requirements concerning key developments in the Company, as well as in the industry.</p>										

3.	Principle 3 – Act ethically and responsibly	
	A listed entity should act ethically and responsibly.	
3.1	<p>ASX Recommendation 3.1</p> <p>A listed entity should:</p> <ul style="list-style-type: none"> a. have a code of conduct for its directors, senior executives and employees; and b. disclose that code or a summary of it. 	<p>The Company has a Code of Conduct that sets out the principles and standards which the Board, management and employees of the Company are encouraged to strive towards when dealing with each other, shareholders and the broader community.</p> <p>The Code of Conduct is disclosed on the Company’s website.</p> <p>Where the Board believes that a significant conflict exists for a Director on a Board matter, the Director does not receive any relevant Board papers and should exclude themselves from the meeting whilst the matter is considered.</p>

4.	Principle 4 – Safeguard integrity in corporate reporting													
	A listed entity should have formal and rigorous processes that independently verify and safeguard the integrity of its corporate reporting.													
4.1	<p>ASX Recommendation 4.1</p> <p>The board of a listed entity should:</p> <p>a. have an audit committee which:</p> <ol style="list-style-type: none"> 1. has at least three members, all of whom are non-executive directors and a majority of whom are independent directors; and 2. is chaired by an independent director, who is not the chair of the board, <p>and disclose:</p> <ol style="list-style-type: none"> 3. the charter of the committee; 4. the relevant qualifications and experience of the members of the committee; and 5. in relation to each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or <p>b. if it does not have an audit committee, disclose that fact and the processes it employs that independently verify and safeguard the integrity of its corporate reporting, including the processes for the appointment and removal of the external auditor and the rotation of the audit engagement partner.</p>	<p>The Board has established an Audit and Risk Committee. The Committee has a formal Charter, a copy of which is available on the Company’s website.</p> <p>The Committee is comprised of 3 members, a majority of whom are independent Directors. Members of the Committee and the number of meetings held during the year ended 30 June 2019 are as follows:</p> <table border="1" data-bbox="750 550 2074 778"> <thead> <tr> <th data-bbox="750 550 1191 624">Director</th> <th data-bbox="1191 550 1635 624">Meetings attended</th> <th data-bbox="1635 550 2074 624">Meetings held during Director’s membership of committee</th> </tr> </thead> <tbody> <tr> <td data-bbox="750 624 1191 675">Nick Smart (Chair)</td> <td data-bbox="1191 624 1635 675">4</td> <td data-bbox="1635 624 2074 675">4</td> </tr> <tr> <td data-bbox="750 675 1191 726">Reg Nelson</td> <td data-bbox="1191 675 1635 726">4</td> <td data-bbox="1635 675 2074 726">4</td> </tr> <tr> <td data-bbox="750 726 1191 778">Ian Howarth</td> <td data-bbox="1191 726 1635 778">4</td> <td data-bbox="1635 726 2074 778">4</td> </tr> </tbody> </table> <p>Details of each Director’s qualifications are set out in the Directors’ Report of the Annual Report. All members of the Audit Committee consider themselves to be financially literate and have relevant industry experience.</p> <p>The external auditor and the Managing Director, are invited to Audit Committee meetings at the discretion of the Audit and Risk Committee.</p>	Director	Meetings attended	Meetings held during Director’s membership of committee	Nick Smart (Chair)	4	4	Reg Nelson	4	4	Ian Howarth	4	4
Director	Meetings attended	Meetings held during Director’s membership of committee												
Nick Smart (Chair)	4	4												
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4.2	<p>ASX Recommendation 4.2</p> <p>The board of a listed entity should, before it approves the entity's financial statements for a financial period, receive from its CEO and CFO a declaration that, in their opinion, the financial records of the entity 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 entity and that the opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.</p>	<p>The Company's Managing Director and Company Secretary (CFO) provide the Board with the appropriate assurances in relation to the statutory financial reports released by the Company.</p> <p>Prior to the Board's approval of the 31 December 2018 half year and 30 June 2019 full year financial statements, the Managing Director and Company Secretary provided a written statement to the Board that, in their opinion, the financial records were properly maintained and that the financial statements complied with the appropriate accounting standards and gave a true and fair view of the financial position and performance of the Group and that the opinion was formed on the basis of a sound system of risk management and internal control which is operating effectively.</p> <p>The Board also received similar undertaking prior to the issue of the Quarterly Cash Flow reports to the Australian Securities Exchange.</p>
4.3	<p>ASX Recommendation 4.3</p> <p>A listed entity that has an AGM should ensure that its external auditor attends its AGM and is available to answer questions from security holders relevant to the audit.</p>	<p>The Company's external auditor was invited to, and attended, the Company's Annual General Meeting held in November 2018. Shareholders were informed of the auditor's presence at the meeting and provided with the opportunity to address questions to the auditor.</p>
<p>5. Principle 5 – Make timely and balanced disclosure</p>		
<p>A listed entity should make timely and balanced disclosure of all matters concerning it that a reasonable person would expect to have a material effect on the price or value of its securities.</p>		
5.1	<p>ASX Recommendation 5.1</p> <p>A listed entity should:</p> <ol style="list-style-type: none"> a. have a written policy for complying with its continuous disclosure obligations under the Listing Rules; and b. disclose that policy or a summary of it. 	<p>The Company has a Disclosure policy which is located on the Company's website:</p> <ol style="list-style-type: none"> 1. that all communications to external stakeholders regarding the Company's activities are timely, factual, accurate and broadly disseminated; and 2. a consistent approach to the Company's information release practices and compliance with continuous disclosure obligations.
5.2	<p>ASX Recommendation 5.2</p> <p>Companies should provide the information indicated in the guide to reporting on Principle 5.</p>	<p>Website: https://www.vintageenergy.com.au/governance-policies</p>

6.	Principle 6 – Respect the rights of security holders	
	A listed entity should respect the rights of its security holders by providing them with appropriate information and facilities to allow them to exercise those rights effectively.	
6.1	<p>ASX Recommendation 6.1</p> <p>A listed entity should provide information about itself and its governance via its website.</p>	<p>The Company's website (www.vintageenergy.com.au) provides information on the Company including its background, objectives, projects and contact details. Information concerning the Company's governance policies and practices are provided on the Corporate Governance page and include links to key policies, procedures and charters of the Company.</p> <p>ASX announcements, Company reports and presentations are uploaded to the website following release to the ASX. Editorial content is updated on a regular basis.</p>
6.2	<p>ASX Recommendation 6.2</p> <p>A listed entity should design and implement an investor relations program to facilitate effective two-way communication with investors.</p>	<p>The Board aims to ensure that shareholders are informed of all major developments affecting the Company. All shareholders can access the Company's Annual Report via the Company's website and are encouraged to participate at general meetings. Shareholders may also request copies of the Company's half-yearly and quarterly reports. ASX announcements, Company reports and presentations are uploaded to the website following release to the ASX. Editorial content is updated on a regular basis.</p>
6.3	<p>ASX Recommendation 6.3</p> <p>A listed entity should disclose the policies and processes it has in place to facilitate and encourage participation at meetings of security holders.</p>	<p>The Company encourages full participation of shareholders at the Annual General Meeting of the Company. Shareholders who are unable to attend meetings of the Company are encouraged to participate in meetings by way of appointment of a proxy. Proxy forms may be lodged by shareholders by way of post, facsimile, transmission to the electronic address specified in the relevant notice of meeting or lodged by online process via the Company's share registry website.</p> <p>Shareholders may register to receive information updates by email.</p> <p>The Company's Shareholder Communications strategy is disclosed on the Company's website.</p>
6.4	<p>Recommendation 6.4</p> <p>A listed entity should give security holders the option to receive communications from, and send communications to, the entity and its security registry electronically.</p>	<p>Shareholders have a choice with regards to the method in which they receive notices of meeting and may elect (by written notice to the Company) to receive such notices either by post, facsimile or electronically.</p> <p>The Company's share registry also engages with shareholders electronically and makes available a range of relevant forms on its website. Shareholders can register with the share registry to access their personal information and shareholdings via the internet.</p>

7.	Principle 7 – Recognise and manage risk	
	A listed entity should establish a sound risk management framework and periodically review the effectiveness of that framework.	
7.1	<p>ASX Recommendation 7.1</p> <p>The board of a listed entity should:</p> <p>a. have a committee or committees to oversee risk, each of which:</p> <ol style="list-style-type: none"> 1. has at least three members, a majority of whom are independent directors; and 2. is chaired by an independent director, <p>and disclose:</p> <ol style="list-style-type: none"> 3. the charter of the committee; 4. the members of the committee; and 5. as at the end of each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or <p>b. if it does not have a risk committee or committees that satisfy (a) above, disclose that fact and the processes it employs for overseeing the entity's risk management framework.</p>	<p>The Company has established an Audit and Risk committee. The Committees Charter is disclosed on the Company's website.</p> <p>Details of meetings and membership of the Committee are detailed under Section 4.1 above.</p> <p>The Company has also adopted a Risk Management Policy which is disclosed on the Company's website.</p> <p>The Company adopts practices designed to identify significant areas of business risk and to effectively manage those risks. The risks involved in operating a resources sector company and the specific uncertainties faced by the Company are regularly monitored and Management regularly appraises the Audit and Risk Committee as to the effectiveness of the Company's management of its material business risks. All investment proposals reviewed by the Board include a consideration of the issues and specific risks associated with the proposal. Where necessary, the Board draws on the expertise of appropriate external consultants to assist in dealing with transferring or mitigating risk.</p>
7.2	<p>ASX Recommendation 7.2</p> <p>The board or a committee of the board should:</p> <p>a. review the entity's risk management framework at least annually to satisfy itself that it continues to be sound; and</p> <p>b. disclose, in relation to each reporting period, whether such a review has taken place.</p>	<p>An enterprise risk management framework based on ISO 31000:2009 has been adopted. The framework includes formal risk identification, analysis, monitoring and reporting in accordance with international standards. The implementation of the program was completed in the current financial year and a full risk review and assessment carried out. Further reviews and updates are carried out in accordance with the framework. Reviews are overseen by the Audit and Risk Committee and detailed risk assessment reports are submitted on a regular basis to the Audit and Risk Committee and the Board.</p>

<p>7.3</p>	<p>Recommendation 7.3</p> <p>A listed entity should disclose:</p> <p>a. if it has an internal audit function, how the function is structured and what role it performs; or</p> <p>b. if it does not have an internal audit function, that fact and the processes it employs for evaluating and continually improving the effectiveness of its risk management and internal control processes.</p>	<p>The Company does not have a formal internal audit function, the Audit and Risk Committee oversees the overall effectiveness of risk management and internal control processes. As part of this function, the Audit and Risk Committee can implement audits of its systems and processes to access compliance.</p>
<p>7.4</p>	<p>ASX Recommendation 7.4</p> <p>A listed entity should disclose whether it has any material exposure to economic, environmental and social sustainability risks and, if it does, how it manages or intends to manage those risks.</p>	<p>The categories of risk identified by the Company and reported on as part of its systems and processes for managing material business risk include financial, operational, human capital, economic cycle, environmental, legal and compliance.</p> <p>In particular, the Company has exposure in the following areas:</p> <ul style="list-style-type: none"> • Funding: The Company’s main activity is the exploration for Oil and Gas. In order to continue its program, the Company may be required to raise additional capital. There is no assurance that the Company will be able to obtain additional financing when required in the future, or that the terms and time frames associated with such funding will be acceptable to the Company. This may have an adverse effect on the Company’s ability to achieve its strategic goals and have a negative effect on its financial results. • Government Regulation: The Oil and Gas industry is highly regulated by all levels of Government. Changes to regulation including Government taxes and charges may affect the viability of the Company’s projects either because of access or technology restrictions or increased costs. The Company maintains communications with relevant parties to mitigate the effect of Regulation change including membership of industry bodies. • Operating risk: The Company’s operations are subject to operating risks that could result in, increased costs & breaches of regulations. To manage this risk, the Company seeks to attract and retain high calibre employees and implement suitable systems and processes to ensure targets are achieved. • Environmental: The Company has environmental liabilities and obligations associated with its exploration licences which arise as a consequence of its activities, including waste management, chemical management, water management and energy efficiency. The Company monitors its ongoing environmental obligations and risks, and implements preventative, rehabilitation and corrective actions as appropriate, through compliance with its environmental management system which is part of the Health, Safety and Environmental Management System (HSEMS). • Sustainability risks: The Company seeks to ensure that it provides a safe workplace to minimise risk of harm to its employees and contractors and the impact of its operations on the environment and the communities in which it operates. It achieves this through an appropriate safety culture, safety systems, training and emergency preparedness. <p>The Company has implemented a Health, Safety and Environment (HSE) management system to drive the organisation’s continuous improvement in HSE performance and which addresses elements including risk management, incident and emergency management, operational control, communications and consultation, training and awareness and monitoring and evaluation. Subject to specific site conditions and local regulatory requirements, management of identified HSE risks is to be standardised for all operational sites and is embedded in the Company’s Enterprise Risk Management Framework.</p>

8.	Principle 8 – Remunerate fairly and responsibly													
	A listed entity should pay director remuneration sufficient to attract and retain high quality directors and design its executive remuneration to attract, retain and motivate high quality senior executives and to align their interests with the creation of value for security holders.													
8.1	<p>ASX Recommendation 8.1</p> <p>The board of a listed entity should:</p> <p>a. have a remuneration committee which:</p> <ol style="list-style-type: none"> 1. has at least three members, a majority of whom are independent directors; and 2. is chaired by an independent director, and disclose: 3. the charter of the committee; 4. the members of the committee; and 5. as at the end of each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; 43 or <p>b. if it does not have a remuneration committee, disclose that fact and the processes it employs for setting the level and composition of remuneration for directors and senior executives and ensuring that such remuneration is appropriate and not excessive.</p>	<p>The Board has a Remuneration Committee which meets at least twice a year. The Committee has a formal Charter, a copy of which is available on the Company's website. Members of the Committee and the number of meetings held during the year ended 30 June 2019 were:</p> <table border="1" data-bbox="750 448 2076 676"> <thead> <tr> <th data-bbox="750 448 1191 523">Director</th> <th data-bbox="1191 448 1632 523">Meetings attended</th> <th data-bbox="1632 448 2076 523">Meetings held during Director's membership of committee</th> </tr> </thead> <tbody> <tr> <td data-bbox="750 523 1191 574">Ian Howarth (Chair)</td> <td data-bbox="1191 523 1632 574">2</td> <td data-bbox="1632 523 2076 574">2</td> </tr> <tr> <td data-bbox="750 574 1191 625">Reg Nelson</td> <td data-bbox="1191 574 1632 625">2</td> <td data-bbox="1632 574 2076 625">2</td> </tr> <tr> <td data-bbox="750 625 1191 676">Nick Smart</td> <td data-bbox="1191 625 1632 676">2</td> <td data-bbox="1632 625 2076 676">2</td> </tr> </tbody> </table> <p>All members of the Committee are independent directors.</p>	Director	Meetings attended	Meetings held during Director's membership of committee	Ian Howarth (Chair)	2	2	Reg Nelson	2	2	Nick Smart	2	2
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<p>8.2</p>	<p>ASX Recommendation 8.2</p> <p>A listed entity should separately disclose its policies and practices regarding the remuneration of non-executive directors and the remuneration of executive directors and other senior executives.</p>	<p>The Company's policies on remuneration and the remuneration of Directors and senior executives are contained in the "Remuneration Report" section of the Directors' Report in the Annual Report. The Remuneration Report separately discloses the remuneration policies and practices for non-executive Directors and senior executives (including executive Directors).</p> <p>In determining executive remuneration, the Board aims to ensure that remuneration practices are:</p> <ul style="list-style-type: none"> • competitive and reasonable, enabling the Company to attract and retain high calibre talent; • aligned to the Company's strategic and business objectives and the creation of shareholder value; • transparent and easily understood; and • acceptable to shareholders. <p>The Company's approach to remuneration ensures that remuneration is competitive, performance-focused, clearly links appropriate reward with desired business performance, and is simple to administer and understand by Executives and shareholders.</p> <p>In line with the remuneration policy, remuneration levels and arrangements are reviewed annually to ensure alignment to the market and the Company's stated objectives.</p> <p>The Company's reward structure provides for a combination of fixed and variable pay with the following components:</p> <ul style="list-style-type: none"> • fixed remuneration in the form of base salary, superannuation and benefits; • short-term incentives (STI); and • long-term incentives (LTI). <p>In accordance with the Company's objective to ensure that executive remuneration is aligned to Company performance, a portion of executives' remuneration is placed "at risk".</p> <p>There are no termination or retirement benefits for non-executive Directors (other than for superannuation). Remuneration for non-executive Directors is set at market rates for comparable ASX listed companies and takes the form of cash and superannuation benefits. No fees are payable to Directors who sit on any of the Board Committees.</p>
<p>8.3</p>	<p>ASX Recommendation 8.3</p> <p>A listed entity which has an equity-based remuneration scheme should:</p> <ol style="list-style-type: none"> a. have a policy on whether participants are permitted to enter into transactions (whether through the use of derivatives or otherwise) which limit the economic risk of participating in the scheme; and b. disclose that policy or a summary of it. 	<p>The Company has a Securities Trading Policy, a copy of which is located on the Company's website.</p> <p>The Policy prohibits key management personnel from entering into transactions or arrangements which limit the economic risk of participating in unvested entitlements under any equity-based remuneration schemes.</p> <p>The Company has adopted an Employee Incentive Plan to incentivise staff which was approved by shareholders at the Company's Annual General Meeting on the 27 of November 2018.</p>