

Corporate Governance Statement

This Corporate Governance Statement should be read in conjunction with the Directors' Report (including the Remuneration Report) on pages 50-72 of the Senex 2020 Annual Report. This statement summarises our main corporate governance principles and practices.

Our purpose, mission and values support effective and fit-for-purpose corporate governance practices that ensure an appropriate framework for Senex to deliver for stakeholders.

Our purpose

A growing and independent company, providing oil and gas to improve lives and support the energy needs of Australia and the world.

Our mission

- We protect our people and the environment
- We build quality relationships with our customers, partners and stakeholders
- We deliver what we promise
- We attract and retain talented people with drive and energy
- We create value for our investors

Our values



Protecting our people and the environment



Integrity in everything we do



Striving for excellence



Winning together

The following suite of corporate governance policies were in place at the date of this statement:

- Anti-bribery and Anti-corruption Policy
- Code of Conduct
- Compliance Policy
- · Conflicts of Interest Policy
- Delegation of Authority Manual
- Diversity Policy
- Disclosure and Communications Policy
- Environmental Management Policy
- Health, Safety and Welfare Policy
- Privacy Policy
- Risk Management Policy
- Remuneration Policy
- Securities Trading Policy
- Tax Risk Management Policy
- Treasury Risk Management Policy
- Whistleblower Policy

For the 2020 financial year (FY20), our approach to corporate governance has been modelled on recommendations in the ASX Corporate Governance Council's Principles and Recommendations (3rd Edition) (ASX Corporate Governance Council Guidelines) and this Corporate Governance Statement is prepared on that basis. The Board believes that Senex has complied with all the guidelines. Relevant governance practices were updated during the year to reflect the 4th edition of the ASX Corporate Governance Guidelines that come into effect from the end of FY20.



ASX Corporate Governance Council's principles and recommendations

Principle 1 – Lay solid foundations for management and oversight

Board responsibilities

Our Board Charter defines the functions reserved to the Board and those delegated to management to ensure we deliver on our strategy and deliver results to our shareholders. A copy of the Board Charter is available at senexenergy.com.au in the Corporate Governance section.

The Board delegates certain responsibilities to the Managing Director through a formal instrument of delegated authority. That document is regularly reviewed and designed to allow appropriate levels of authority within a framework of controls.

The Board has three standing committees: the Audit and Risk Committee; the People and Remuneration Committee; and the Nomination Committee. The composition, structure, purpose and responsibilities of those committees are described in more detail below. The Board may also delegate specific functions to ad-hoc committees or certain Directors from time to time, typically for matters related to commercial transactions. The Board Charter contains a procedure for the Directors to obtain independent professional advice at the expense of the company.

Director appointments and resignations

The following changes to directors occurred in FY20 up to the date of this statement:

- Vahid Farzad resigned as a Director on 27 September 2019
- Glenda McLoughlin was appointed as a Director on 1 July 2020

Mr Farzad resigned from the Senex Board when EIG ceased being a material shareholder in Senex in September 2019. The Nomination Committee considered various factors in appointing a new Director to strengthen the skill set of the Board, including industry experience, advisory capabilities and diversity mix, and appointed Ms McLoughlin to the Board.

Ms McLoughlin has extensive commercial experience as an investment banker, finance executive and company director working at a senior executive level in Australia and Asia. She has held senior executive roles at leading financial institutions Morgan Stanley, Credit Suisse and Barclays Capital, where she led the Energy and Infrastructure Group in Australia. In addition to her work in the energy sector, Ms McLoughlin has extensive experience in the telecommunications, information technology, media, transport and financial services sectors. Glenda also co-founded ASX-listed Australian gas company Metgasco, where she was Executive Director and Chief Financial Officer for eight years.

Senex undertakes appropriate checks before appointing any Director.

Company Secretary

David Pegg is Company Secretary and General Counsel.

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

Terms of appointment

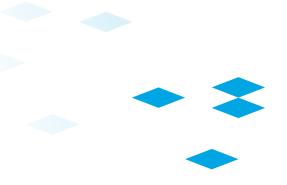
Senex has a signed a letter of appointment between it and each Director that sets out the terms of their appointment, duties, rights and responsibilities, and entitlements on termination. We have also provided each Director with an induction to the corporate structure, governance, business and risk management systems, and operations.

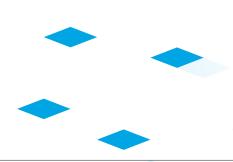
Diversity

Senex has a Diversity Policy aimed at creating a workplace culture that attracts and retains well-qualified, diverse and motivated people. Our Annual Report contains a breakdown of the number of men and women employed and their relative seniority. A copy of our Diversity Policy is available at senexenergy.com.au in the Corporate Governance section.

Senior Executive performance

Senex undertakes an annual performance evaluation process for all senior Executives and did so in respect of FY20. The Remuneration Report on pages 56 to 71 of the 2020 Annual Report sets out details of the FY20 annual performance evaluation process for senior Executives.





Principle 2 – Structure the Board to add value

Composition of the Board

The composition and operation of the Board is determined in line with the following principles and guidelines:

- the Board determines the size and composition of the Board and each Board committee, subject to the terms of the Constitution
- the Directors should bring appropriate qualifications and experience to the Board to contribute to business needs and Senex's overall strategy
- the Board should comprise a majority of independent Non-Executive Directors
- the Chairman must be an independent Non-Executive Director
- the Board and each Board committee should meet regularly in a pre-arranged cycle and follow agreed meeting guidelines to ensure all Directors are made aware of all agenda items and are provided with all necessary information to enable them to participate in informed discussion

The Directors in office at the date of this statement are:

Name	Position	Committee Memberships
Trevor Bourne	Chairman, Independent Non-Executive Director	Chairman, Nomination Committee
Ralph Craven	Independent Non-Executive Director	Chairman of People and Remuneration Committee, and member, Audit and Risk Committee and Nomination Committee.
Timothy Crommelin	Independent Non-Executive Director	Member, Audit and Risk Committee and Nomination Committee
lan Davies	Managing Director and Chief Executive Officer	Not a member of any committee, but attends and participates in committee meetings, except where conflicted
Debra Goodin	Independent Non-Executive Director	Chairman, Audit and Risk Committee, and member, People and Remuneration Committee and Nomination Committee
Glenda McLoughlin	Independent Non-Executive Director	Member, People and Remuneration Committee and Nomination Committee
John Warburton	Independent Non-Executive Director	Member, People and Remuneration Committee and Nomination Committee

Further information regarding Board committee meetings and the level of attendance by committee members for FY20 is set out in the Directors' Report at page 53 of the 2020 Annual Report.



Independence

Senex complied with recommendation 2.1 of the ASX Corporate Governance Council Guidelines throughout FY20. All of the Non-Executive Directors were considered to be independent at the date of this statement. The roles of Chairman and Managing Director are exercised by different individuals.

As at the date of this report, the Directors' status is as follows:

Name	Independent	Comment
Trevor Bourne (Chairman)	Yes	
Ralph Craven	Yes	
Tim Crommelin	Yes	Mr Crommelin is Executive Chairman of Morgans Financial Limited, which was an adviser to the company. Senex has not had any material dealing with Morgans during the last three financial years and the Board has determined that Mr Crommelin now qualifies as independent.
lan Davies	No	Managing Director and Chief Executive Officer
Debra Goodin	Yes	
Glenda McLoughlin	Yes	
John Warburton	Yes	

Nomination Committee

The Board has a Nomination Committee that is comprised solely of Non-Executive Directors, and all Non-Executive Directors will be members of the Nomination Committee. The majority of the Committee, and its Chairman, is independent.

The Nomination Committee has a charter that sets out its roles and responsibilities, composition and structure and can be found at senexenergy.com.au in the Corporate Governance section.

Director performance review and evaluation

It is the policy of the Board to ensure that the Directors are equipped with the knowledge and information they need to discharge their responsibilities effectively. Senex provides Directors with access to resources, including any specific education or training, to develop and maintain the skills and knowledge needed to perform their role as Directors. The Chairman periodically evaluates the performance of the Board, its Committees and individual Directors and also monitors the day-to-day functioning of the Board on a continuous basis. The last formal external Board evaluation was conducted in FY19.

An overview of the skills and experience of the Board as at the date of this statement is shown in the table below

Skills and experience and diversity	Senex Board representation
	(out of 7 Directors including Managing Director and CEO)
Strategy: prior experience in setting and delivering company strategy	6
Industry experience: experience in the resources and energy sector, with an upstream explorer/producer or service provider.	7
Financial expertise: senior Executive experience in financial accounting and reporting; qualification in accounting or finance	6
Health, safety and sustainability: experience in oversight of health, safety, environmental and sustainability issues in an organisation	5
Governance: tenure as a Non-Executive Director or member of governance bodies outside Senex	6
Risk management: prior experience in risk management and internal controls	7

When a Director seeks re-election, the Board, through the Nomination Committee, will review the Board's composition, skill set and the Director's performance. The results of this review will form the basis of the Board's recommendation to shareholders on the proposal for re-election of the Director.

Principle 3 – Promote ethical and responsible decision-making

Code of Conduct

Senex's activities are underpinned by our purpose, mission and values. High standards of behaviour are expected of our Directors, employees and contractors. These are set out in more detail in Senex's Code of Conduct. The Code of Conduct is available at senexenergy.com.au in the Corporate Governance section.

Securities dealings

Senex has a Securities Trading Policy that regulates dealing in Senex securities by Directors, executives and employees and their associates. The Board restricts these people from acting on material information until it has been released to the market and adequate time has been given for this to be reflected in the price of the security.

In addition to an overriding prohibition on dealing in securities when a person is in possession of inside information, personnel are prohibited from dealing in Senex's securities during certain blackout periods. The blackout periods are as follows:

- two weeks before and including the day of release of Senex's full-year and half-year results
- one week before and including the day of release of Senex's quarterly reports
- one week before and including the day of Senex's Annual General Meeting
- any other period as the Company Secretary, Chief Executive Officer or Chairman advises from time to time.

A copy of the Securities Trading Policy is available at seenexenergy.com.au in the Corporate Governance section.

Handling conflicts of interest

Senex manages actual and potential conflicts of interest according to our Code of Conduct and our Conflict of Interest Policy, both of which are at senexenergy.com.au in the Corporate Governance section. Directors have an obligation to identify, disclose, monitor and manage any conflict of interest. It is part of the role of the Chairman, under the Board Charter, to monitor performance of the Board including management of conflicts of interest.

A Director who has a material personal interest in a matter being considered at a Directors' meeting must not be present while the matter is being considered at the meeting or vote on the matter unless the rest of the Board has passed a consent resolution.

The Board has determined that a Director or Executive who has an interest in Senex shares is not, solely on the basis of that interest, in a position where their obligations to Senex conflict with their personal interest, because their interest aligns with the interests of our shareholders as a whole.

Principle 4 – Safeguard integrity in financial reporting

Audit and Risk Committee

Senex has an Audit and Risk Committee that comprises three Non-Executive Directors, all are independent, and each possesses sufficient financial expertise and knowledge of the industry in which we operate. The Audit and Risk Committee is chaired by Ms Goodin, an independent Non-Executive Director. The Audit and Risk Committee charter setting out its role, responsibilities, composition and structure can be found at senexenergy.com.au in the Corporate Governance section.

Financial integrity

The Board received assurance from Mr Davies as Managing Director and Mr McCabe as Chief Financial Officer that, in their opinion, financial records have been properly maintained and financial statements made on the basis of a sound and effective operating system of risk management and internal control.

Senex's external auditor attends Annual General Meetings to answer questions from shareholders.







Principle 5 – Make timely and balanced disclosure

Senex has a Disclosure and Communications Policy that seeks to ensure timely and balanced disclosure and accountability at senior management level for compliance with continuous disclosure obligations. The Disclosure and Communications Policy is at senexenergy.com.au in the Corporate Governance section.

We are committed to providing timely, full and accurate disclosure and to keeping the market informed through quarterly releases detailing exploration, development and production, and through annual and half-yearly reports to shareholders. Updates on material drilling activities are also provided as and when required. Senex has an internal investor relations function that works with analysts and shareholders as another means of keeping the market fully informed.

As required by ASX Listing Rules, all material matters are disclosed immediately to the ASX and subsequently to the media, where relevant. All material investor presentations are released to the ASX and are posted on our website. Shareholders, and any interested parties, can subscribe to a free email notification service and receive notice of any announcement that we publicise.

Principle 6 – Respect the rights of shareholders

Senex's public website provides a high standard of communication and information to all stakeholders to allow them to make informed decisions regarding risks and potential returns from our assets and operations.

Our corporate communications team ensures the website is regularly updated and contains all historical ASX announcements, quarterly, half-yearly and annual reports, financial statements, and information on our various operations and assets. Webcasts, videos and transcripts are also available on the website.

Communications with investors are handled by a dedicated investor relations team that, together with the corporate communications team, ensures that investors and other stakeholders have access to information about Senex. Those communications take place by phone, in person, over email, at briefings, through analysts, media statements, annual reports, social media posts, and at our AGM. Shareholders are encouraged to use these channels to become more informed about Senex and our operations. Our share registry provider accepts email communications from shareholders.

Senex's Disclosure and Communications Policy contains further details of the ways we seek to promote effective communication and is available at senexenergy.com.au in the Corporate Governance section.

Principle 7 – Recognise and manage risk

The Board, supported by the Audit and Risk Committee and the Executive Committee, is responsible for implementing our enterprise risk management (ERM) framework, which has been designed based on guidance in the Australian standard for risk management AS/NZS ISO 31000 and the following key principles:

- clear governance and management structure and documentation
- defined type of activities to be risk assessed
- defined key roles and responsibilities
- common risk definitions and categories
- common risk assessment tools and techniques
- consistent risk assessment recording (ie, risk registers, forms, etc)
- consistent risk assessment event format (ie, meetings, workshops, etc)

The Senex ERM framework incorporates an entity-level view of risk, an understanding of risk management options and the use of consistently developed risk information to support decision making and management practices. The Senex ERM framework focuses on the key risks to achieving our goals, from operational and business activities through to strategy implementation.

As part of the ERM, the Board is responsible for ensuring there are adequate policies on risk management, compliance and internal control systems. Senex's senior Executives have implemented our ERM framework and internal controls in a manner that is consistent with the strategic risk appetite set by the Board.

The Senex ERM framework is discussed further in the risk management section (pages 48-49) of the 2020 Annual Report, including further detail regarding the material risks facing our business.



Copies of the risk management and compliance policies are available at senexenergy.com.au in the Corporate Governance section.

We do not currently have an internal audit function for a number of reasons:

- our business management system continues to ensure adequate internal controls are in place and followed
- we have dedicated management bodies to oversee significant or key transactions or expenditure, namely a Procurement Board and an Investment Committee
- external auditors provide a high level of financial assurance
- internal and external resources are used where considered appropriate to help with specific assurance activities

The Board, with advice from the Audit and Risk Committee, annually reviews the need for an internal audit function.

Senex's external auditor is Ernst & Young. The Audit and Risk Committee is responsible for making recommendations to the Board on the selection, appointment, reappointment and replacement (if applicable, subject to shareholder ratification) and independence of the external auditor. For more information about the external auditor please refer to the Directors' Report in the 2020 Annual Report and for more information about the role of the Audit and Risk Committee please refer to the Corporate Governance section at senexenergy.com.au.

Principle 8 - Remunerate fairly and responsibly

People and Remuneration Committee

The Board has a People and Remuneration Committee, which has three primary functions:

- support and advise the Board on remuneration and remuneration-related matters
- advise the Board on alignment of the interests of employees and shareholders in remuneration matters
- examine our selection and appointment practices in relation to senior Executives and advise the Board regarding these matters

The People and Remuneration Committee has a charter that sets out its roles and responsibilities, composition and structure and can be found at senexenergy.com.au in the Corporate Governance section.

People and remuneration

Dr Ralph Craven, an independent Non-Executive Director, chairs Senex's People and Remuneration Committee, which comprises three Non-Executive Directors, all of whom are independent. The charter for the People and Remuneration committee can be found at senexenergy.com.au in the Corporate Governance section.

Our approach to remuneration is designed to ensure that Directors, senior Executives and employees are motivated to drive strategic outcomes and deliver value to shareholders, within the context of our long-term financial stability and risk management framework.

Remuneration is structured to attract and retain the most appropriate and qualified personnel. Fixed and performance-based remuneration, including a component of equity remuneration, is used by Senex. Our Remuneration Policy contains provisions for the clawback of remuneration from senior Executives in certain circumstances. Senex has the right to claw back the performance-related component including unvested or vested but unexercised entitlements of a senior Executive's remuneration. The applicable circumstances are where any measure of Senex's performance, as it relates to a performance condition, is misstated and any incentive payments or rights vest incorrectly in reliance on the misstated level of performance.

The Remuneration Report on pages 56 to 71 of the 2020 Annual Report sets out details of Senex's policies and practices for remunerating Executives and Non-Executive Directors and key management personnel.

The remuneration of Non-Executive Directors is structured separately from that of the Executive Directors and senior Executives. No senior Executive or Director is involved in the decision-making process for their own remuneration.



