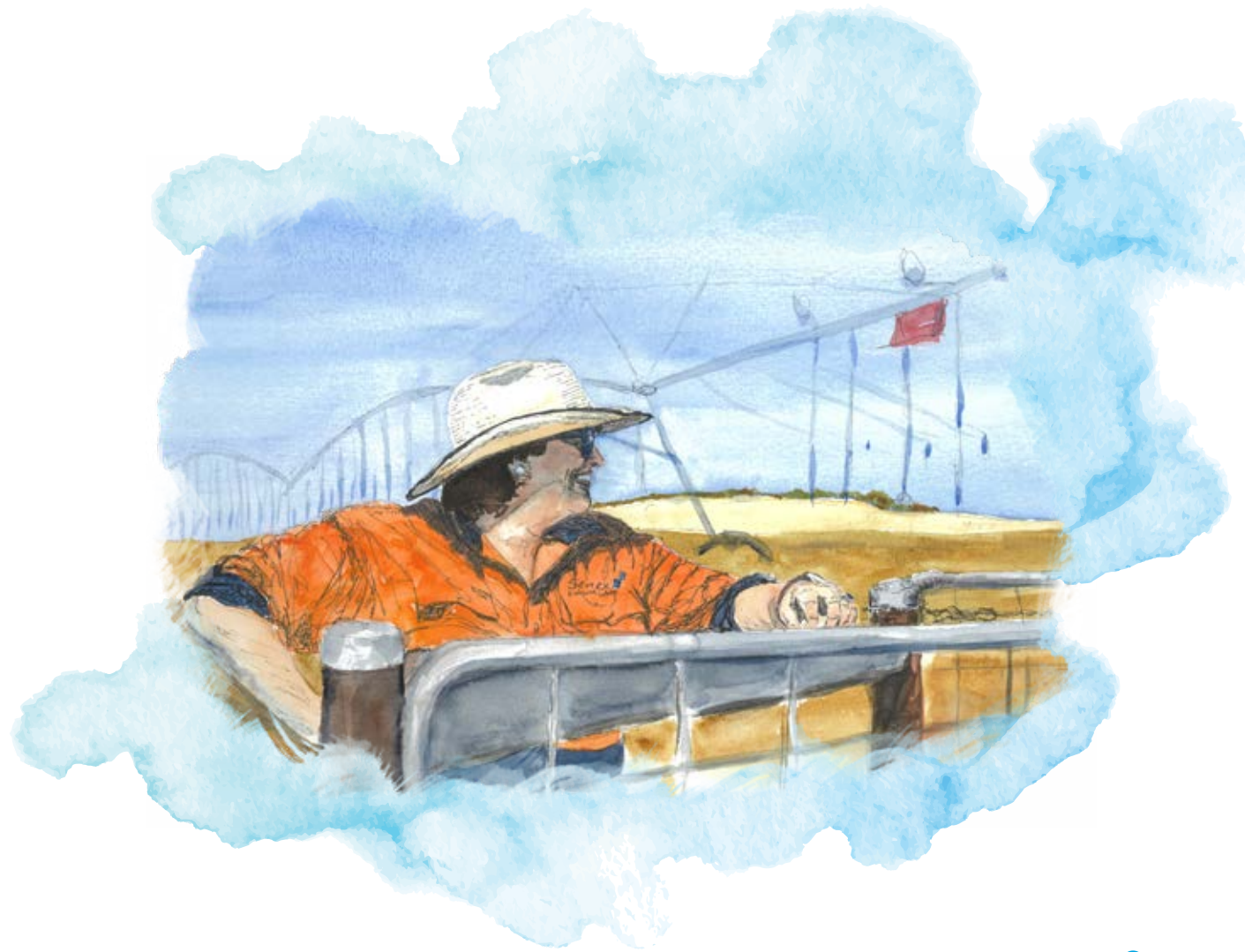


Corporate Governance Statement 2021



This Corporate Governance Statement should be read in conjunction with the Directors' Report (including the Remuneration Report) on pages 42 to 61 of the Senex 2021 Annual Report. This statement summarises our main corporate governance principles and practices.

Senex is a leading and rapidly growing Australian natural gas producer committed to supplying reliable, affordable and cleaner energy.

Our long-life Surat Basin assets contribute around 20 PJ/year of low-carbon natural gas into the east coast market. Senex is focused on sustainably delivering balance sheet strength, accelerated growth and enhanced shareholder returns as we progressively decarbonise.

Our 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 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



Striving for
excellence



Integrity in
everything we do



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 2021 financial year (FY21), our approach to corporate governance has been modelled on recommendations in the ASX Corporate Governance Council's Principles and Recommendations (4th 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. This statement is up to date as at 18 August 2021, when the Board approved this statement.

2021 governance highlights



Formal Board and Chair performance evaluation



Update of Diversity Policy and setting of new diversity objectives



Publication of first Modern Slavery Statement FY20



Standalone Sustainability Report for 2021 to be released later in the calendar year



Comprehensive refresh of Risk Management framework



Establishment of assurance function

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 FY21 up to the date of this statement:

- Glenda McLoughlin was appointed as a Director on 1 July 2020
- Debra Goodin retired as a Director on 19 November 2020
- Margaret Kennedy was appointed as Director on 1 April 2021

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.

Ms Kennedy is a Board director and senior executive with more than 25 years Australian and international experience, across a portfolio of commercial, property, financial, operational and retail businesses with listed Australian and multinational companies. She is experienced in corporate M & A, and leading businesses through periods of significant change. She was previously Chief Executive Officer of Viva Energy REIT (VVR), now Waypoint REIT- an ASX 200 listed real estate investment trust. Ms Kennedy holds a Bachelor of Commerce degree from the University of Melbourne and is a graduate of the Australian Institute of Company Directors.

Senex undertakes appropriate checks before appointing any Director.



Pictured, from left:
Glenda McLoughlin and Margaret Kennedy

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

The Managing Director and Chief Executive Officer, and other senior Executives are employed under written employment agreements, which set out their rights, duties and responsibilities.

Diversity

Senex has a diversity policy aimed at creating a workplace culture that attracts and retains well-qualified, diverse and motivated people. This policy was updated during the year to reflect the 4th Edition ASX Corporate Governance Council Guidelines. A copy of our diversity policy is available at [senexenergy.com.au](https://www.senexenergy.com.au) in the Corporate Governance section. Our Annual Report and Sustainability Report will contain further information on our diversity statistics.

The Board set the FY21 measurable objectives and the progress against them, as set out in the table. These will be the basis for the FY22 measurable objectives, with the final objective 7 added below.

Diversity FY21 measurable objectives

Objective	Progress against objective
1. At least one female shortlisted for 80% of permanent roles	In FY21, 85% of permanent roles advertised had one female shortlisted
2. Ensure pay equity by annually auditing 'like for like' roles and that there are strategies in place for managing pay relativities	Pay equity review was undertaken in September 2020 and June 2021
3. Provide support and flexibility so that at least 80% of primary carers taking parental leave return to work	Of those that took parental leave in FY21, all have returned to work (or still currently on leave with the intention of returning) In FY21, Senex doubled primary and secondary parental leave payments. Superannuation is now payable during paid and unpaid primary parental leave (up to 52 weeks)
4. Target that the board (with seven directors) should be comprised of at least two females, with a continuing target being not less than 30% females	28.6% female representation (2/7)
5. The Executive Committee is currently comprised of six people including one female, if we recruit in future we aim to have at least one female on the shortlist	Of executive recruitment in FY21 for two positions, there were two females were shortlisted for each role
6. Target that the general workforce is comprised of not less than 30% females	Permanent workforce is 33% female
7. Improve talent pipeline via recruiting a minimum of three female graduates or young professionals in FY22	New for FY22

Senior Executive performance

Senex undertakes an annual performance evaluation process for all senior Executives and did so in respect of FY21. The Remuneration Report on pages 46 to 61 of the 2021 Annual Report sets out details of the FY21 annual performance evaluation process for senior Executives.

Principle 2 – Structure the Board to be effective and 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
Ian Davies	Managing Director and Chief Executive Officer	Not a member of any committee, but attends and participates in committee meetings, except where conflicted
Margaret Kennedy	Independent Non-Executive Director	Member, People and Remuneration Committee and Nomination Committee
Glenda McLoughlin	Independent Non-Executive Director	Chairman, Audit and Risk Committee, and 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 FY21 is set out in the Directors' Report at page 45 of the 2021 Annual Report.

Independence

All of the Non-Executive Directors were considered to be independent throughout FY21. 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	
Ian Davies	No	Managing Director and Chief Executive Officer
Margaret Kennedy	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 Committee, and its Chairman, are 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 Board conducted a formal externally facilitated Board review during the year. The evaluation reviewed:

- Governance roles
- Strategy
- CEO and Executive team oversight
- Board structure and meeting processes
- Board committees
- Board Chair evaluation

Board skills and experience

An overview of the skills and experience of the seven (7) Directors in office at the date of this statement is shown in the table below.

Senex skills and experience	Number and level of Directors				
Strategy: prior experience in setting and delivering company strategy.	<div> <div></div> <div>5</div> <div>2</div> </div>				
Industry experience: experience in the resources and energy sector, with an upstream explorer/producer or service provider.	<div> <div>1</div> <div>1</div> <div>5</div> </div>				
Financial expertise: senior Executive experience in financial accounting and reporting; qualification in accounting or finance.	<div> <div></div> <div>5</div> <div>2</div> </div>				
Health and safety: experience in oversight of health, safety, and environmental issues in an organisation.	<div> <div>1</div> <div>5</div> <div>1</div> </div>				
Risk management: prior experience in risk management and internal controls.	<div> <div>1</div> <div>6</div> </div>				
Governance: tenure as a non-Executive director or member of governance bodies outside Senex.	<div> <div></div> <div>3</div> <div>4</div> </div>				
Climate Change and Sustainability: experience in oversight of sustainability issues in an organisation and development of strategy in response to climate change and the energy transition including experience in new energy solutions.	<div> <div>2</div> <div>1</div> <div>3</div> <div>1</div> </div>				
People, Culture and Remuneration: Experience in building workforce capability, setting a remuneration policy that attracts and retains high calibre executives; and in promoting culture and diversity.	<div> <div></div> <div>6</div> <div>1</div> </div>				

No skill or experience
 Limited skills and experience
 Adequate skills or experience
 Proficient
 Subject matter expert

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 – Instil a culture of acting lawfully, ethically and responsibly

Code of Conduct, Whistleblower Policy, and Anti-bribery and Anti-corruption Policy

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.

Senex's approach to the reporting of corrupt and illegal behaviours and the reporting of any breach of the Code of Conduct is set out in Senex's Whistleblower Policy. Senex has an external independent whistleblower service.

The Board through the Audit and Risk Committee is informed of any material breaches to Company policies and the outcomes of any investigations undertaken.

The Code of Conduct, Whistleblower Policy, and Anti-bribery and Anti-corruption Policy is available at [senexenergy.com.au](https://www.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 [senexenergy.com.au](https://www.senexenergy.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](https://www.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 Board including the 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 the integrity of corporate reports

Audit and Risk Committee

Senex has an Audit and Risk Committee that comprises three independent Non-Executive Directors and each possesses sufficient financial expertise and knowledge of the industry in which we operate. The Audit and Risk Committee is chaired by Ms McLoughlin, 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 the Managing Director and the Chief Financial Officer that in their opinion, financial records have been properly maintained and financial statements made based on 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.

Senex recognises the importance of having processes in place to ensure the integrity of its regular corporate reporting. The Managing Director, Chief Financial Officer and General Counsel and Company Secretary has the responsibility for overseeing the process for verification and sign-off on Senex's corporate reporting not audited or reviewed by an external auditor. The verification process involves the review and sign-off by relevant functions of Senex.

Principle 5 – Make timely and balanced disclosure

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 engages an external investor relations consultant 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 to the media where relevant. All material investor presentations are released to the ASX and are posted on our website. The Board is engaged in significant market announcements and in any event receives copies of all market announcements as soon as they are made to 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.

Senex has a wide stakeholder engagement program handled by the investor relations team, together with the corporate communications team, that facilitates effective two-way communication with investors. Multiple forms of communications take place, including at briefings, through analysts, media statements, annual reports, social media posts, and at our AGM. Senex also responds to individual shareholder queries. Shareholders are encouraged to use these channels to become more informed about Senex and our operations. All communications from, and most communications to, Senex's share registry are available electronically and shareholders are encouraged to take up the option of e-communication.

Senex encourages shareholders to attend and participate at shareholder meetings. As per the guidelines issued by ASIC in March 2020 on shareholder meetings during the COVID-19 pandemic, Senex's 2020 AGM and 2021 EGM was held virtually. At the AGM the Chairman allows a reasonable opportunity for shareholders to ask questions of the Board and the external shareholders. All resolutions at a Senex shareholder meeting are decided by poll rather than a show of hands.

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 is discussed in the material risk section (pages 40 to 41) of the 2021 Annual Report, including further detail regarding material exposure to environmental and social risks facing our business.

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.

A refresh of the ERM framework was conducted during the financial year as part of Senex's continual improvement process and is discussed on page 40 of the 2021 Annual Report.

The Board worked with management during FY21, and this work continues, with a view to have a more detailed assessment of climate change risks and responses. This will be the subject of a separate Sustainability Report to be published later in the calendar year. A brief summary of this is set out on pages 10 to 13 of the 2021 Annual Report.

Copies of the risk management and compliance policies are available on our website in the Corporate Governance section.

To support the next stage of our growth, during FY21 Senex established an efficient and scalable assurance framework which delivers value to the business. The assurance function is independent and objective, designed to improve Senex's operations, and to help manage risks in conjunction with other risk management functions. Initial assurance work in FY21 has focussed on investment decisions and emissions reporting.

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 executive management bodies to oversee significant or key transactions or expenditure
- internal and external resources are used where considered appropriate to help with specific assurance activities
- external auditors provide a high level of financial assurance

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 Director's Report in the 2021 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](https://www.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](https://www.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 four Non-Executive Directors, all of whom are independent. The charter for the People and Remuneration committee can be found at [senexenergy.com.au](https://www.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 46 to 61 of the 2021 Annual Report sets out details of Senex's policies and practices for remunerating Executive 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.

