



**SINO GAS & ENERGY  
HOLDINGS LIMITED**

**ACN 124 242 422**

**2017**

**CORPORATE GOVERNANCE  
STATEMENT**

## Corporate Governance Statement

The Company's Board and Management recognise that high standards of corporate governance are an integral part of their commitment to maximising shareholder value, by promoting strategic thought, risk management, corporate and social responsibility, and transparency.

This is the Corporate Governance Statement for Sino Gas & Energy Holdings Limited for the financial year 2017, as at 29 March 2018, outlining the Company's principal corporate governance practices.

The Company has adopted a comprehensive framework of rules, relationships, systems and processes regulating the exercise of authority within the Company. The Board has adopted the following corporate governance policies and charters, copies of which are available on the Company's website (<http://sinogasenergy.com/about-seh/corporate-governance/>):

- Board Charter
- Audit and Risk Committee Charter;
- Nomination and Remuneration Committee Charter;
- Procedure for the selection and appointment of new directors;
- Anti-Corruption Policy
- Securities Trading Policy;
- Procedures for complying with the Disclosure Requirements and ensuring Senior Management accountability;
- Shareholder Communications Policy;
- Description of Risk Management Policy;
- Description of the Performance Evaluation Procedure for the Board and Individual Directors;
- Code of Conduct; and
- Diversity Policy.

In addition, the Company has developed a comprehensive process for monitoring corporate risks through a risk register which makes an assessment of the potential risks to the Company across all functional areas. This risk register is reviewed by management on a frequent basis (monthly or more frequently if appropriate) and by the Board at the Audit and Risk committee.

To the extent that they are applicable, and practicable, the Company has adopted the ASX Corporate Governance Council's 'Corporate Governance Principles and Recommendations' (3rd Edition) (the 'ASX Corporate Governance Recommendations').

Commensurate with the spirit of the ASX Corporate Governance Recommendations, the Company has followed each ASX Corporate Governance Recommendation where the Board has considered it to be an appropriate benchmark for corporate governance practices, taking into account factors such as the size of the Company and the Board, the resources available and the activities of the Company. Where, after due consideration, the Company's corporate governance practices depart from the ASX Corporate Governance Recommendations, the Board has set out in the Corporate Governance Statement its "if not, why not" report.

Corporate governance policies and practices of the Company are reflective of the Company's current status and its major activities being the development and production of natural gas projects in China. As the Company's activities develop in size, nature and scope, the Board will reconsider and review the Company's corporate governance structures.

This Corporate Governance Statement has been approved by the Board of Directors.

## Composition of the Board

During the financial year ended 31 December 2017, the Company had five Directors comprising four Non-executive Directors and a Managing Director. There have been no changes to the Board during 2017 or to the date of this Statement.

A profile for each current Director, including details of their skills, expertise, experience, term of office and Board Committee memberships can be found on pages 23 to 26 of the 2017 Annual Report.

The Board has determined that all of the Non-Executive Directors are independent.

There are written terms of appointment in place with each of the Directors.

## Role of the Board

The Board operates pursuant to a formal Board Charter, which sets out the responsibilities, structure and conduct of the Board, a copy of which is available on the Company's website at <http://sinogasenergy.com/about-seh/corporate-governance/>.

The Board of the Company is responsible for:

- the overall operation and stewardship of the Company and its subsidiaries;
- charting the direction, strategies and financial objectives for the Company; and
- monitoring the implementation of those policies, strategies and financial objectives,

and is committed to protecting and enhancing shareholder value and conducting the Company's business ethically and in accordance with corporate governance standards.

The objective of the Board is to provide an acceptable rate of return to the Company's shareholders while considering the interests of key stakeholders, including employees, customers, suppliers, lenders and the wider community.

Each of the Directors, when representing the Company, must act in the best interests of the shareholders of the Company and in the best interests of the Company as a whole.

Each Director has the right to seek independent professional advice on matters relating to his position as a Director of the Company at the Company's expense, subject to the prior approval of the Chairman, which shall not be unreasonably withheld.

The skills, experience and expertise relevant to the position of each Director in office at the date of this report and their term of office is set out in the Directors' Report.

The Board is assisted by the Audit and Risk Committee, and the Nomination and Remuneration Committee.

## Independence

The Board Charter provides that the Board shall be comprised of a majority of independent Directors. The Board considers that all of the current Non-Executive Directors are independent and were so for the 2017 financial year.

No Director acted as a nominee or representative of any particular shareholder during the financial year.

The Chairman of the Board, Philip Bainbridge, is an independent, Non-executive Director. He is responsible for leadership of the Board, ensuring that the Board functions effectively and communicating the views of the Board to the public. The Chairman sets the agenda for Board meetings and manages the conduct of Board meetings so as to facilitate open and constructive communication between the Directors, and between the Board and Management.

All Directors are aware of, and adhere to, their obligation under the Corporations Act 2001 (Corporations Act) to disclose to the Board any interest or relationships that they, or any associate of theirs, may have in a matter that relates to the affairs of the Company, and any other matter that may affect their independence.

If a potential conflict of interest exists on a matter before the Board then (unless the remaining Directors determine otherwise) the Director concerned does not receive the relevant papers, and takes no part in the Board's consideration of the matter nor exercises any influence over other members of the Board.

In addition to considering issues that may arise from disclosure by Directors from time to time under these obligations, the Board makes an annual assessment of each Non-executive Director to determine whether it considers the Director to be independent. Additionally, the Board conducts an assessment of independence of new Board members prior to their appointment. The Board considers that an independent director is a Director who is independent of Management and free of any business or other relationship which could, or could reasonably be perceived to, materially interfere with the exercise of the Director's unfettered and independent judgement. To assist the Board and each Director in assessing matters of independence, the Board has developed a questionnaire to determine the independence of each Director.

It is the Company's policy that Non-Executive Directors do not participate in the Company's performance incentive arrangements. At the date of this report, all Non-Executive Directors hold nil performance rights.

Details of the interests in Company securities held by each Director, including rights awarded to the Managing Director under the Company's performance incentive arrangements, are set out in the Company's 2017 Remuneration Report and in the notes to the Consolidated Financial Statements.

## Board Skills

The Board, with the assistance of the Nomination and Remuneration Committee, is collectively responsible for ensuring that the Board has the appropriate range and mix of expertise and experience to properly fulfil its responsibilities. These include expertise in finance, business, the oil and gas industry, legal and executive management skills, and are assessed periodically by the Board.

The mix of skills and diversity currently represented at the Board is set out in the following Board skills matrix.

Expertise	Experience
<ul style="list-style-type: none"> <li>Executive leadership</li> <li>Strategic thinking</li> <li>Health, safety and environment</li> <li>Risk management</li> <li>Project management</li> <li>Operations management</li> <li>Stakeholder identification and management</li> <li>Financial and commercial acumen</li> <li>Corporate finance</li> </ul>	<p><b>Industry</b></p> <ul style="list-style-type: none"> <li>Upstream and downstream Oil &amp; gas</li> <li>Mining and utilities</li> <li>Investment banking</li> </ul> <p><b>Geography</b></p> <ul style="list-style-type: none"> <li>China</li> <li>Asia</li> <li>Australia</li> <li>Europe</li> <li>North America</li> <li>South America</li> <li>Africa</li> </ul>

## Director Appointment

Before a person is appointed as a Director, or put forward to shareholders as a candidate for election as a Director, the Company undertakes appropriate checks in respect of that person, which include checks as to the person's character, experience and qualifications.

There are written terms of appointment in place with each Director.

The Company provides an induction program to assist new Directors to gain an understanding of:

- the Company's financial, strategic, operational and risk management position;
- the culture and values of the Company;
- the role of the Board's Committees; and
- Director interaction with each other, Management and other stakeholders.

In addition to the briefing papers, agenda and related information regularly supplied to Directors, Directors are encouraged to take advantage of opportunities to develop and maintain the skills and knowledge needed to perform their role as a Director effectively.

Prior to the expiry of a Director's current term of office, the Board reviews that Director's performance. In the event that such performance is considered less than effective, the Board may decide that it will not support the re-election of that Director.

The Board Charter does not currently specify a desired duration of service for Directors, or desired duration of service in specific positions such as the Chairman or member or chair of the Board's standing Committees. Duration of service is, however, a factor which the Directors consider on a regular basis.

### Reviewing Performance

The Board recognises the importance of ensuring that the performance of the Board is reviewed regularly against appropriate measures. The Board have adopted a formal Performance Evaluation Procedure. A copy of the Performance Evaluation Procedure is available on the Company's website.

The Board undertakes an annual review of its effectiveness, and the effectiveness of each of its Committees and members, against the roles and responsibilities set out in their respective Charters.

A performance evaluation of the Board, individual directors, senior executives and various Board committees, was completed for the financial year ended 31 December 2017.

The Chairman also holds discussions with individual Directors to facilitate peer review.

The Board reviews the performance of the Managing Director annually and contributes to the performance reviews for each of the Company's Senior Executives.

The Company Secretary is responsible for assisting the Board to ensure that Board and Committee procedures are complied with and advising the Board and its Committees on governance matters. The Company Secretary is accountable directly to the Board, through the Chairman, on all matters to do with the proper functioning of the Board. All Directors have access to the Company Secretary for advice and services.

The Board approves any appointment or removal of the Company Secretary.

### Board Committees

The Board has established two standing committees to assist the Board to discharge its responsibilities by examining various issues and making recommendations to the Board. In addition, the Board may, from time to time, establish ad hoc committees or sub-committees to assist the Board in relation to specific matters.

The standing committees of the Board are:

- the Nomination and Remuneration Committee; and
- the Audit and Risk Committee;

The information below outlines the role of each of the Board's standing Committees in assisting the Board to discharge its responsibilities and the composition of the Committees as at the date of this Corporate Governance Statement.

The papers for each Committee meeting are available to all Directors, other than in the case of a conflict, and the Chair of each Committee reports back to the Board regarding Committee activities and recommendations.

Details regarding the current members of each of the Board's standing Committees, including their qualifications and experience, and details of meetings of the Committees held during the year are set out in the Directors' Report on pages 23 to 26 of the Annual Report.

### **Audit and Risk Committee**

The primary objectives of the Audit and Risk Committee are to assist the Board in ensuring:

- the integrity and quality of the Company's internal controls and financial reporting;
- appropriate oversight over external audit functions; and
- the Company has an effective framework and established processes to identify and manage risk to protect value and capitalise on opportunities to create value.

The Committee consists of a minimum of three members of whom are Non-executive Directors and a majority are independent directors. During 2017 and at the date of this report, the Committee members are Mr Bernie Ridgeway (Committee Chairman), Mr Matthew Ginsburg and Mr Gavin Harper.

Further information as to the responsibilities, structure and conduct of the Audit and Risk Committee is contained in the Committee's Charter, a copy of which is available on the Company's website at <http://sinogasenergy.com/about-seh/corporate-governance/>.

### **Nomination and Remuneration Committee**

The Company has established a Nomination and Remuneration Committee.

The Nomination and Remuneration Committee was established to assist the Board in establishing policies and practices which:

- enable the Company to attract and retain executives and directors who will create sustainable value for members and other stakeholders;
- assist the Board to maintain a Board that has an appropriate mix of skills and experience which can contribute to the successful management of the Company and create sustainable value for shareholders;
- fairly and responsibly reward executives and directors having regard to the performance of the Company, the performance of the executive and the external compensation environment; and
- comply with all relevant legislation and regulations including the ASX Listing Rules (as applicable) and the Corporations Act.

The Committee is to consist of a minimum of three members of whom a majority are non-executive independent directors. During 2017 and at the date of this report, the Committee has four members being Mr Matthew Ginsburg (Committee Chairman), Mr Phil Bainbridge, Mr Gavin Harper and Mr Bernie Ridgeway.

Further information as to the responsibilities, structure and conduct of the Nomination and Remuneration Committee is contained in the Committee's Charter, a copy of which is available on the Company's website at <http://sinogasenergy.com/about-seh/corporate-governance/>.

### **Risk management**

As an ASX-listed natural gas explorer, developer and producer, the Company is exposed to a variety of economic, environmental and social sustainability risks. Details regarding the material business risks applicable to the Company and its business, including mitigating factors and the actions being taken by the Company to manage its exposure to those risks, are described in the Directors' Report and the notes to the financial statements for the financial year ended 31 December 2017.



The Company manages its economic, environment and social sustainability risks by maintaining a risk management process, good relationships with key stakeholders and by promoting high standards. A comprehensive system of Health Safety and Environment (HSE) procedures is maintained by the Company's Joint Venture Operating Company, SGE. Training to international standards is provided on safe work practices to all levels of staff to protect employee and contractor safety. SGE has systems and processes in place to ensure ongoing compliance and periodically audits its own compliance with HSE procedures.

The Company also has a code of conduct and an anti-corruption policy for its directors, officers, employees, and, as appropriate, consultants, contractors and associates. The Company's code and policy addresses, among other things, discharging of duties, equal opportunity, acting ethically and reasonably and compliance with laws.

### **Risk Management Policy**

The Board recognises that the effective identification, evaluation, monitoring and management of risk is a critical component of the Company's continuing business and financial performance, and future prospects.

The Company is focused on ensuring that there are adequate structures and procedures in place to identify, assess, monitor and manage risk. A summary of the Company's Risk Management Policy is available on the Company's website at <http://sinogasenergy.com/about-seh/corporate-governance/>.

The Company has established an Audit & Risk Committee which is responsible for oversight of the processes whereby risks, and also opportunities, are identified on a timely basis and recommendations are made to the Board. In particular, the Audit and Risk Committee is responsible for reviewing, reporting and making recommendations to the Board on the adequacy of the company's risk management framework, insurance program and systems of ensuring compliance with laws and regulations; identifying and ensuring that management has in place a process to identify the principal risks of the company's business and examine the Company's risk profile; the formulation and operation of the Company's policies in relation to financial risk management, capital structure and treasury practices including hedging, cash management, payments processing and bank account administration; and any instances of material break down of the Company's internal controls.

In accordance with the Company's policies, the Board with assistance from the Audit and Risk Committee, oversees the establishment, implementation and the ongoing review of the Company's risk management policies. Management, key executives and the Audit and Risk Committee are required to report to the Board on any material risks identified, how those risks are being managed, the implementation of any risk management or internal control system, and whether any breaches of the risk management policies have occurred. Appropriate reviews were undertaken in the current financial period.

### **Code of Conduct**

The Company has adopted a formal Code of Conduct to address matters relevant to the Company's legal and other obligations to its stakeholders.

The Code of Conduct applies equally to all employees, directors and officers of the Company, each of whom must discharge their duties of honesty and integrity, in good faith and having regard to the position and the organisation's goals and objectives. A copy of the Code of Conduct is available on the Company's website at <http://sinogasenergy.com/about-seh/corporate-governance/>.

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

The Company has adopted a separate Anti-Corruption Policy. This policy reinforces the Company's strict prohibition on all forms of bribery and corruption, as well as money laundering, terrorism funding and similar offences. Compliance with the policy is a condition of employment.

The Company is committed to full compliance with relevant anti-corruption laws of all countries in which it conducts business, including (without limitation) Australia, the People's Republic of China and Hong Kong.

The Company is committed to not only complying with its legal obligations, but also to acting ethically and responsibly, and the Company will compete for all business opportunities fairly, ethically, and legally. Moreover, the Company adopts and advocates principles, practices and standards designed to prevent, detect and combat corruption.

To assist directors and employees meet their obligations under the policy, the Company encourages an open and honest dialogue around the policy and potential issues. Formal lines of communication have been established for individuals to obtain guidance and to report potential non-compliance issues. All new directors, officers, employees and relevant contractors receive Anti-Bribery and Corruption training. Also, the Company has implemented and maintains a formal semi-annual training program to communicate and reaffirm its commitment to its policy and procedures. . All employees are required to semi-annually certify that they are not aware of any non-compliance issues. .

A copy of the Company's Anti-Corruption Policies and Procedures is available on the Company's website at <http://sinogasenergy.com/about-seh/corporate-governance/>

### **Procedures for compliance with disclosure requirements**

The Company's approach to disclosure and market communications is based on two core principles:

- all investors, regardless of the size of their investment, must be afforded equal and timely access to material information concerning the Company; and
- information provided by the Company to the market must have a reasonable basis, be complete, balanced and expressed in a clear and objective manner that allows market participants to assess the impact or potential impact of that information when making investment decisions.

The Company has policies and processes in place intended to ensure that these principles are adhered to.

The procedures for complying with disclosure requirements and ensuring senior management accountability have been adopted to ensure that the Company complies with its disclosure requirements and to ensure that ASX is properly informed of matters which may have a material impact on the price at which the Company's securities are traded.

A copy of the Company's policy is available on the Company's website at <http://sinogasenergy.com/about-seh/corporate-governance/>.

### **Shareholder Communication Policy**

The Board aims to ensure that shareholders are informed of all major developments affecting the Company's state of affairs. In particular, the Board believes that communicating with shareholders by electronic means, particularly through its website, is an efficient way of distributing information in a timely and convenient manner.

The Company also has a dedicated Corporate Governance page on its website at [www.sinogasenergy.com/about-seh/corporate-governance/](http://www.sinogasenergy.com/about-seh/corporate-governance/), which supplements the communication to shareholders in the annual report regarding the Company's corporate governance policies and practices.

The Company encourages shareholders to receive shareholder materials via electronic means. The Company's website has dedicated pages for all ASX Announcements, Operational Reports, Financial Reports and Presentations conducted by the Company at [www.sinogasenergy.com/investors/](http://www.sinogasenergy.com/investors/).

The Company's Investor Relations team and share registry receive and send electronic communications to shareholders and, through the Company's investor alerts function on its website at [www.sinogasenergy.com/investors/contact-investor-relations/](http://www.sinogasenergy.com/investors/contact-investor-relations/). Shareholders have the opportunity to subscribe and receive e-mail alerts of investor news directly to their inbox and make enquiries of the Company via electronic means.

In relation to the Annual General Meeting, the Company encourages the participation of shareholders. The Company provides Shareholders the opportunity to ask questions of the Company, or the external auditor, in advance of the Annual General Meeting.



The Company hosts conference calls following the Company's major periodic releases as a forum for investors and other market participants to ask questions and posts recordings of these conference calls on its website. The Company also periodically meets with institutional and retail investors.

The Company does not currently webcast its Annual General Meeting or post recordings of Shareholder meetings.

The Board is committed to monitoring ongoing developments that may enhance communication with shareholders, including technological developments, regulatory changes and the continuing development of 'best practice' in the market, and to implementing changes to the Company's communications strategies whenever reasonably practicable to reflect any such developments.

A copy of the Shareholder Communication Policy adopted by the company is available on the Company's website at [www.sinogasenergy.com/about-seh/corporate-governance/](http://www.sinogasenergy.com/about-seh/corporate-governance/).

### Financial Reporting and Regulatory Compliance

The Board is committed to ensuring the integrity and quality of its financial reporting, risk management, and compliance and control systems.

The Board requires the Managing Director and the Chief Financial Officer to state in writing that:

- the financial statements and associated notes give a true and fair view of the financial position as at the relevant balance date and of the performance of the Company for the full year then ended; and
- the Company's risk management and internal control system to manage the Company's material risks is operating efficiently and effectively in all material respects; and
- the Company's financial reports are founded on a sound system of risk management and internal compliance and control and that system is operating effectively.

The Board has received a statement to this effect from the Managing Director and the Chief Financial Officer equivalent for the year ended 31 December 2017.

The Audit and Risk Committee plays a critical role in assisting the Board to discharge its responsibilities in relation to financial reporting (as noted above), as well as reviewing and monitoring the performance of the external auditor. Senior Executives and the Company's external auditor frequently attend Audit and Risk Committee meetings. The Audit and Risk Committee also holds private discussions with the external auditor without Management or Executive Directors present.

The Company does not currently have a formal internal audit program in place. The Board has considered whether or not it is appropriate or desirable for the Company to have an internal audit function, having regard to the particular circumstances of the Company and its business. At this stage, the Board is satisfied that the establishment of a formal internal audit function is not warranted on the basis of the Company's current scale. Additionally, (i) the majority of the Company's material business risks relate to business activities and operations undertaken by the Company's joint venture Company, SGE, and (ii), the Company has adopted practices associated with its business that provide an independent external view relevant to the Company's material business risks, for example, the Company's Gas Reserves and Resources estimates are the subject of independent expert review (refer to pages 15 to 17 of the Annual Report for information regarding the independent review of the Company's 2017 Gas Reserves and Resources estimates).

The Company's external auditor for the financial year was Ernst and Young, who was appointed in 2016. The auditor is required to make an independence declaration annually. Information about the total remuneration of the external auditor is set out in Note B1 of the annual financial report.

The Board requires the external auditor to attend the Company's Annual General Meeting and be available to answer questions from shareholders relevant to the audit.

### People and Remuneration

The Company is committed to ensuring that it has competitive remuneration and human resources policies and practices that:

- enable the Company to attract and retain high quality staff;
- offer appropriate and fair rewards and incentives to employees;
- seek to align the interests of senior management with the interests of the Company's shareholders; and
- promote a culture of high performance.

Remuneration Report: Details on the Company's remuneration policies and practices are set out in the Remuneration Report on pages 27 to 38 of the Directors' Report in this annual financial report.

The Remuneration Report also includes details of the remuneration for key management personnel, comprising the Directors and Senior Executives, during the year, and information regarding the Company's short-term and long-term incentive plans and the link between the Company's performance and remuneration outcomes.

### **Securities Trading Policy**

The Board recognises that it is important that the Company adopt practices that ensure that Directors, employees and certain 'designated personnel' do not deal in the Company's securities in circumstances where the party may be in possession of material price-sensitive information or may be perceived to be in possession of such information.

As such, the Company has adopted a comprehensive Securities Trading Policy and Procedures that regulates dealings by Directors, officers, employees, consultants and contractors as identified by the Company in securities issued by the Company (Employees and Designated Contractors). They aim to inform Employees and Designated Contractors of the law relating to insider trading and provide them with practical guidance for avoiding unlawful transactions in Company securities. To assist directors and employees meet their obligations under the policy, the Company has implemented and maintains a semi-annual program to communicate, educate and provide training to officers, employees and contractors.

The Board encourages Directors and employees to be long-term holders of shares in the Company. In so doing, the Board seeks to align the interests of all Directors and employees with those of the Company and its shareholders.

The Company recognises that the use by Employees or Designated Contractors of derivatives in relation to the Company's securities could undermine the objectives of the securities trading policy, or distort the operation of performance hurdles applicable to vesting of securities granted to staff as part of their remuneration, or result in public disclosure regarding holdings of securities being misleading. Accordingly, it's the Company's policy that derivatives and other products must not be used or entered into in relation to any of the Company's securities held by or on behalf of Employees and Designated Contractors, regardless of how or when those securities were acquired and whether those securities are vested or unvested.

A copy of the Company's Securities Trading Policy is available on the Company's website at <http://sinogasenergy.com/about-seh/corporate-governance/>.

Directors also have specific disclosure obligations under the Corporations Act and the corresponding ASX Listing Rules. All Directors are required to give the Company notice of changes to their relevant interests in Company securities within five days to enable both them and the Company to comply with the ASX Listing Rules.

### **Diversity Policy**

The Company has adopted a diversity policy to guide the Company's employees and board of directors in developing and achieving its diversity objectives. The Company values diversity among our workforce. The Company seeks to employ, retain and develop employees for the long term, assisting in their development and the development of the culture and values of the Company. This is done by promoting the value of different perspectives, ideas and benefits brought by engaging widely with all employees.

The Company recognises that a talented and diverse workforce is a key competitive advantage and that success is a reflection of the quality and skills of its people. Diversity assists the business in achieving its objectives and delivering for its stakeholders by enabling it to attract and retain the most qualified and experienced individuals to the workforce. The Company seeks to develop a culture of diversity within the Company whereby a mix of skills and diverse backgrounds are employed by the Company at all levels. The Company values the benefits brought to it by employees from a variety of backgrounds including gender, age, cultural and religious background, education, geographical location, ethnicity, experience and flexibility.

The Company strives to develop and maintain a diverse and skilled workforce through transparent recruitment processes; promotion of an inclusive workplace culture that values and utilises the contribution of all employees backgrounds, experiences and perspective through improved awareness of the benefits of workforce diversity; facilitation of diversity in the workplace by developing programs that promote growth for all employees, so each may reach their full potential, and providing maximum benefit for the Company; reviewing the demographic profile at all levels of the Company (considering any patterns or gaps that are apparent) and setting measurable objectives to encourage diversity within the Company.

The Company's diversity policy is supported by the Company's Code of Conduct.

The Board develops objectives that work towards ensuring that the Company benefits from a diverse workplace. In respect to the Company's China operations these objectives will be developed in a manner appropriate to that context.

	2017		2016	
	Male (%)	Female (%)	Male (%)	Female (%)
Board Representation	100	-	100	-
Key Senior management representation	100	-	100	-
Group representation	57	43	50	50

*Note: Due to workforce numbers, the Company is not a 'relevant employer' under the Workplace Agenda Quality Act.*

The table below outlines the measurable objectives set by the Board in accordance with the Company's diversity policy.

Objectives	Commentary
Review the number of women employed by the Company at each wage level, noting whether they are employed on a full time or part time basis	Details of gender diversity tabled above. The Board and management continue to monitor the number of women employed by the company at each level.
Review employment options provided to employees having regard to their domestic responsibilities and implement improvements in recruitment and retention through creating flexible working options and equitable participation in company incentive plans;	Flexible working arrangements are provided where requested and wherever practicable, having regard to the Company's size and the Company and employee requirements. All staff are incentivised on an equitable basis by level through the Company's incentive plans.
Identify what the Company considers to be key values and criteria for recruitment at all levels of the Company. Consider how implementation of these key values and criteria may promote an inclusive workplace culture.	Discussions have been held with employees and the Company undertakes a yearly review of its remuneration framework in order to determine key value drivers.
Seek input from employees on a voluntary basis to review levels of diversity and perceived culture of diversity within the company.	Management promote an open office environment for all employees and contractors to discuss these matters and potential improvements.

A copy of the Diversity Policy is available on the Company's website at <http://sinogasenergy.com/about-seh/corporate-governance/>.