

29 September 2020

The Manager  
The Australian Securities Exchange  
The Announcements Officer  
Level 4/20 Bridge Street  
SYDNEY NSW 2000

## **2020 APPENDIX 4G AND CORPORATE GOVERNANCE STATEMENT**

Please find attached Key Petroleum Limited's 2020 Appendix 4G and Corporate Governance Statement.

This announcement has been authorised by the Board of Directors.

For more information please contact:

**IAN GREGORY**  
Company Secretary  
**Key Petroleum Limited**

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## Appendix 4G

### Key to Disclosures Corporate Governance Council Principles and Recommendations

Name of entity:

KEY PETROLEUM LTD

ABN / ARBN:

120 580 618

Financial year ended:

30 JUNE 2020

Our corporate governance statement<sup>2</sup> for the above period above can be found at:<sup>3</sup>

- ☐ These pages of our annual report:
- ☒ This URL on our website: [http://www.keypetroleum.com.au/corporate\\_governance](http://www.keypetroleum.com.au/corporate_governance)

The Corporate Governance Statement is accurate and up to date as at 29 September 2020 and has been approved by the board.

The annexure includes a key to where our corporate governance disclosures can be located.

Date: 29 September 2020

Name of Director or Secretary authorising  
lodgement: Ian Gregory, Company Secretary

<sup>1</sup> Under Listing Rule 4.7.3, an entity must lodge with ASX a completed Appendix 4G at the same time as it lodges its annual report with ASX.

Listing Rule 4.10.3 requires an entity that is included in the official list as an ASX Listing to include in its annual report either a corporate governance statement that meets the requirements of that rule or the URL of the page on its website where such a statement is located. The corporate governance statement must disclose the extent to which the entity has followed the recommendations set by the ASX Corporate Governance Council during the reporting period. If the entity has not followed a recommendation for any part of the reporting period, its corporate governance statement must separately identify that recommendation and the period during which it was not followed and state its reasons for not following the recommendation and what (if any) alternative governance practices it adopted in lieu of the recommendation during that period.

Under Listing Rule 4.7.4, if an entity chooses to include its corporate governance statement on its website rather than in its annual report, it must lodge a copy of the corporate governance statement with ASX at the same time as it lodges its annual report with ASX. The corporate governance statement must be current as at the effective date specified in that statement for the purposes of rule 4.10.3.

<sup>2</sup> "Corporate governance statement" is defined in Listing Rule 19.12 to mean the statement referred to in Listing Rule 4.10.3 which discloses the extent to which an entity has followed the recommendations set by the ASX Corporate Governance Council during a particular reporting period.

<sup>3</sup> Mark whichever option is correct and then complete the page number(s) of the annual report, or the URL of the web page, where the entity's corporate governance statement can be found. You can, if you wish, delete the option which is not applicable.

Throughout this form, where you are given two or more options to select, you can, if you wish, delete any option which is not applicable and just retain the option that is applicable. If you select an option that includes "OR" at the end of the selection and you delete the other options, you can also, if you wish, delete the "OR" at the end of the selection.

## ANNEXURE – KEY TO CORPORATE GOVERNANCE DISCLOSURES

Corporate Governance Council recommendation		We have followed the recommendation in full for the whole of the period above. We have disclosed ...	We have NOT followed the recommendation in full for the whole of the period above. We have disclosed ... <sup>4</sup>
<b>PRINCIPLE 1 – LAY SOLID FOUNDATIONS FOR MANAGEMENT AND OVERSIGHT</b>			
1.1	A listed entity should disclose: (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.	... the fact that we follow this recommendation: <input checked="" type="checkbox"/> in our Corporate Governance Statement <b>OR</b> <input type="checkbox"/> at [insert location] ... and information about the respective roles and responsibilities of our board and management (including those matters expressly reserved to the board and those delegated to management): <input checked="" type="checkbox"/> in the Company's Corporate Governance Statement on the Company's website <a href="http://www.keypetroleum.com.au/corporate_governance">http://www.keypetroleum.com.au/corporate_governance</a>	<input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement <b>OR</b> <input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable
1.2	A listed entity should: (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.	... the fact that we follow this recommendation: <input checked="" type="checkbox"/> in our Corporate Governance Statement <b>OR</b> <input type="checkbox"/> at [insert location]	<input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement <b>OR</b> <input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable
1.3	A listed entity should have a written agreement with each director and senior executive setting out the terms of their appointment.	... the fact that we follow this recommendation: <input checked="" type="checkbox"/> in our Corporate Governance Statement <b>OR</b> <input type="checkbox"/> at [insert location]	<input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement <b>OR</b> <input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable
1.4	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.	... the fact that we follow this recommendation: <input checked="" type="checkbox"/> in our Corporate Governance Statement <b>OR</b> <input type="checkbox"/> at [insert location]	<input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement <b>OR</b> <input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable

<sup>4</sup> If you have followed all of the Council's recommendations in full for the whole of the period above, you can, if you wish, delete this column from the form and re-format it.

Corporate Governance Council recommendation		We have followed the recommendation in full for the whole of the period above. We have disclosed ...	We have NOT followed the recommendation in full for the whole of the period above. We have disclosed ... <sup>4</sup>
1.5	<p>A listed entity should:</p> <p>(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;</p> <p>(b) disclose that policy or a summary of it; and</p> <p>(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:</p> <p>(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</p> <p>(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>	<p>... the fact that we have a diversity policy that complies with paragraph (a):</p> <p><input type="checkbox"/> in our Corporate Governance Statement <b>OR</b></p> <p><input type="checkbox"/> at [insert location]</p> <p>... and a copy of our diversity policy or a summary of it:</p> <p><input checked="" type="checkbox"/> at <a href="http://www.keypetroleum.com.au/corporate_governance">http://www.keypetroleum.com.au/corporate_governance</a></p> <p>... and the measurable objectives for achieving gender diversity set by the board or a relevant committee of the board in accordance with our diversity policy and our progress towards achieving them:</p> <p><input type="checkbox"/> in our Corporate Governance Statement <b>OR</b></p> <p><input type="checkbox"/> at [insert location]</p> <p>... and the information referred to in paragraphs (c)(1) or (2):</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement <b>OR</b></p> <p><input type="checkbox"/> at [insert location]</p>	<p><input checked="" type="checkbox"/> an explanation why that is so in our Corporate Governance Statement <b>OR</b></p> <p><input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable</p>
1.6	<p>A listed entity should:</p> <p>(a) have and disclose a process for periodically evaluating the performance of the board, its committees and individual directors; and</p> <p>(b) disclose, in relation to each reporting period, whether a performance evaluation was undertaken in the reporting period in accordance with that process.</p>	<p>... the evaluation process referred to in paragraph (a):</p> <p><input type="checkbox"/> in our Corporate Governance Statement <b>OR</b></p> <p><input type="checkbox"/> at [insert location]</p> <p>... and the information referred to in paragraph (b):</p> <p><input type="checkbox"/> in our Corporate Governance Statement <b>OR</b></p> <p><input type="checkbox"/> at [insert location]</p>	<p><input checked="" type="checkbox"/> an explanation why that is so in our Corporate Governance Statement <b>OR</b></p> <p><input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable</p>
1.7	<p>A listed entity should:</p> <p>(a) have and disclose a process for periodically evaluating the performance of its senior executives; and</p> <p>(b) disclose, in relation to each reporting period, whether a performance evaluation was undertaken in the reporting period in accordance with that process.</p>	<p>... the evaluation process referred to in paragraph (a):</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement <b>OR</b></p> <p><input type="checkbox"/> at [insert location]</p> <p>... and the information referred to in paragraph (b):</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement <b>OR</b></p> <p><input type="checkbox"/> at [insert location]</p>	<p><input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement <b>OR</b></p> <p><input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable</p>

Corporate Governance Council recommendation		We have followed the recommendation in full for the whole of the period above. We have disclosed ...	We have NOT followed the recommendation in full for the whole of the period above. We have disclosed ... <sup>4</sup>
PRINCIPLE 2 - STRUCTURE THE BOARD TO ADD VALUE			
2.1	<p>The board of a listed entity should:</p> <p>(a) have a nomination committee which:</p> <p>(1) has at least three members, a majority of whom are independent directors; and</p> <p>(2) is chaired by an independent director, and disclose:</p> <p>(3) the charter of the committee;</p> <p>(4) the members of the committee; and</p> <p>(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> <p>(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.</p>	<p>[If the entity complies with paragraph (a):]</p> <p>... the fact that we have a nomination committee that complies with paragraphs (1) and (2):</p> <p><input type="checkbox"/> in our Corporate Governance Statement <b>OR</b></p> <p><input type="checkbox"/> at [insert location]</p> <p>... and a copy of the charter of the committee:</p> <p><input type="checkbox"/> at [insert location]</p> <p>... and the information referred to in paragraphs (4) and (5):</p> <p><input type="checkbox"/> in our Corporate Governance Statement <b>OR</b></p> <p><input type="checkbox"/> at [insert location]</p> <p>[If the entity complies with paragraph (b):]</p> <p>... the fact that we do not have a nomination committee and the processes we employ 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:</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement <b>OR</b></p> <p><input type="checkbox"/> at [insert location]</p>	<p><input checked="" type="checkbox"/> an explanation why that is so in our Corporate Governance Statement <b>OR</b></p> <p><input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable</p>
2.2	<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>... our board skills matrix:</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement <b>OR</b></p> <p><input type="checkbox"/> at [insert location]</p>	<p><input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement <b>OR</b></p> <p><input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable</p>

Corporate Governance Council recommendation		We have followed the recommendation in full for the whole of the period above. We have disclosed ...	We have NOT followed the recommendation in full for the whole of the period above. We have disclosed ... <sup>4</sup>
2.3	A listed entity should disclose: (a) the names of the directors considered by the board to be independent directors; (b) 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 (c) the length of service of each director.	... the names of the directors considered by the board to be independent directors: <input checked="" type="checkbox"/> in our Corporate Governance Statement <b>OR</b> <input type="checkbox"/> at [insert location] ... and, where applicable, the information referred to in paragraph (b): <input checked="" type="checkbox"/> in our Corporate Governance Statement <b>OR</b> <input type="checkbox"/> at [insert location] ... and the length of service of each director: <input checked="" type="checkbox"/> in our Corporate Governance Statement <b>OR</b> <input type="checkbox"/> at [insert location]	<input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement
2.4	A majority of the board of a listed entity should be independent directors.	... the fact that we follow this recommendation: <input type="checkbox"/> in our Corporate Governance Statement <b>OR</b> <input type="checkbox"/> at [insert location]	<input checked="" type="checkbox"/> an explanation why that is so in our Corporate Governance Statement <b>OR</b> <input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable
2.5	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.	... the fact that we follow this recommendation: <input checked="" type="checkbox"/> in our Corporate Governance Statement <b>OR</b> <input type="checkbox"/> at [insert location]	<input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement <b>OR</b> <input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable
2.6	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.	... the fact that we follow this recommendation: <input checked="" type="checkbox"/> in our Corporate Governance Statement <b>OR</b> <input type="checkbox"/> at [insert location]	<input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement <b>OR</b> <input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable
<b>PRINCIPLE 3 – ACT ETHICALLY AND RESPONSIBLY</b>			
3.1	A listed entity should: (a) have a code of conduct for its directors, senior executives and employees; and (b) disclose that code or a summary of it.	... our code of conduct or a summary of it: <input checked="" type="checkbox"/> in our Corporate Governance Statement <b>OR</b> <input type="checkbox"/> at [insert location]	<input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement

Corporate Governance Council recommendation		We have followed the recommendation in full for the whole of the period above. We have disclosed ...	We have NOT followed the recommendation in full for the whole of the period above. We have disclosed ... <sup>4</sup>
<b>PRINCIPLE 4 – SAFEGUARD INTEGRITY IN CORPORATE REPORTING</b>			
4.1	<p>The board of a listed entity should:</p> <p>(a) have an audit committee which:</p> <p>(1) has at least three members, all of whom are non-executive directors and a majority of whom are independent directors; and</p> <p>(2) is chaired by an independent director, who is not the chair of the board,</p> <p>and disclose:</p> <p>(3) the charter of the committee;</p> <p>(4) the relevant qualifications and experience of the members of the committee; and</p> <p>(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> <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>[If the entity complies with paragraph (a):]</p> <p>... the fact that we have an audit committee that complies with paragraphs (1) and (2) <b>until 10 March 2020</b>:</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement <b>OR</b></p> <p><input type="checkbox"/> at [insert location]</p> <p>... and a copy of the charter of the committee:</p> <p><input checked="" type="checkbox"/> on the Company's website <a href="http://www.keypetroleum.com.au/corporate_governance">http://www.keypetroleum.com.au/corporate_governance</a></p> <p>... and the information referred to in paragraphs (4) and (5):</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement and</p> <p><input checked="" type="checkbox"/> in the Company's 2020 Annual Report available on the Company's website <a href="http://www.keypetroleum.com.au/financial_reports">http://www.keypetroleum.com.au/financial_reports</a></p> <p>[If the entity complies with paragraph (b):]</p> <p>... the fact that we do not have an audit committee and the processes we employ that independently verify and safeguard the integrity of our corporate reporting, including the processes for the appointment and removal of the external auditor and the rotation of the audit engagement partner:</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement <b>OR</b></p> <p><input type="checkbox"/> at [insert location]</p>	<p><input checked="" type="checkbox"/> an explanation why that is so in our Corporate Governance Statement <b>after 10 March 2020</b></p>
4.2	<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 fact that we follow this recommendation:</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement <b>OR</b></p> <p><input type="checkbox"/> at [insert location]</p>	<p><input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement</p>

Corporate Governance Council recommendation		We have followed the recommendation in full for the whole of the period above. We have disclosed ...	We have NOT followed the recommendation in full for the whole of the period above. We have disclosed ... <sup>4</sup>
4.3	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.	... the fact that we follow this recommendation: <input checked="" type="checkbox"/> in our Corporate Governance Statement <b>OR</b> <input type="checkbox"/> at [insert location]	<input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement <b>OR</b> <input type="checkbox"/> we are an externally managed entity that does not hold an annual general meeting and this recommendation is therefore not applicable
<b>PRINCIPLE 5 – MAKE TIMELY AND BALANCED DISCLOSURE</b>			
5.1	A listed entity should: (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.	... our continuous disclosure compliance policy or a summary of it: <input checked="" type="checkbox"/> in our Corporate Governance Statement <b>OR</b> <input type="checkbox"/> at [insert location]	<input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement
<b>PRINCIPLE 6 – RESPECT THE RIGHTS OF SECURITY HOLDERS</b>			
6.1	A listed entity should provide information about itself and its governance to investors via its website.	... information about us and our governance on our website: <input checked="" type="checkbox"/> on the Company's website <a href="http://www.keypetroleum.com.au/company-profile">http://www.keypetroleum.com.au/company-profile</a> & <a href="http://www.keypetroleum.com.au/corporate_governance">http://www.keypetroleum.com.au/corporate_governance</a>	<input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement
6.2	A listed entity should design and implement an investor relations program to facilitate effective two-way communication with investors.	... the fact that we follow this recommendation: <input checked="" type="checkbox"/> in our Corporate Governance Statement and <input checked="" type="checkbox"/> on the Company's website <a href="http://www.keypetroleum.com.au/corporate_governance">http://www.keypetroleum.com.au/corporate_governance</a>	<input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement
6.3	A listed entity should disclose the policies and processes it has in place to facilitate and encourage participation at meetings of security holders.	... our policies and processes for facilitating and encouraging participation at meetings of security holders: <input checked="" type="checkbox"/> in our Corporate Governance Statement and <input checked="" type="checkbox"/> on the Company's website <a href="http://www.keypetroleum.com.au/corporate_governance">http://www.keypetroleum.com.au/corporate_governance</a>	<input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement <b>OR</b> <input type="checkbox"/> we are an externally managed entity that does not hold periodic meetings of security holders and this recommendation is therefore not applicable
6.4	A listed entity should give security holders the option to receive communications from, and send communications to, the entity and its security registry electronically.	... the fact that we follow this recommendation: <input checked="" type="checkbox"/> in our Corporate Governance Statement <b>OR</b> <input type="checkbox"/> at [insert location]	<input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement



Corporate Governance Council recommendation		We have followed the recommendation in full for the whole of the period above. We have disclosed ...	We have NOT followed the recommendation in full for the whole of the period above. We have disclosed ... <sup>4</sup>
<b>PRINCIPLE 7 – RECOGNISE AND MANAGE RISK</b>			
7.1	<p>The board of a listed entity should:</p> <p>(a) have a committee or committees to oversee risk, each of which:</p> <p>(1) has at least three members, a majority of whom are independent directors; and</p> <p>(2) is chaired by an independent director, and disclose:</p> <p>(3) the charter of the committee;</p> <p>(4) the members of the committee; and</p> <p>(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> <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>[If the entity complies with paragraph (a):]</p> <p>... the fact that we have a committee or committees to oversee risk that comply with paragraphs (1) and (2) <b>until 10 March 2020</b>:</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement <b>OR</b></p> <p><input type="checkbox"/> at [insert location]</p> <p>... and a copy of the charter of the committee:</p> <p><input checked="" type="checkbox"/> on the Company's website <a href="http://www.keypetroleum.com.au/corporate_governance">http://www.keypetroleum.com.au/corporate_governance</a></p> <p>... and the information referred to in paragraphs (4) and (5):</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement and</p> <p><input checked="" type="checkbox"/> in the Company's 2020 Annual Report available on the Company's website <a href="http://www.keypetroleum.com.au/financial_reports">http://www.keypetroleum.com.au/financial_reports</a></p> <p>[If the entity complies with paragraph (b):]</p> <p>... the fact that we do not have a risk committee or committees that satisfy (a) and the processes we employ for overseeing our risk management framework:</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement <b>OR</b></p> <p><input type="checkbox"/> at [insert location]</p>	<p><input checked="" type="checkbox"/> an explanation why that is so in our Corporate Governance Statement <b>after 10 March 2020</b></p>
7.2	<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>... the fact that board or a committee of the board reviews the entity's risk management framework at least annually to satisfy itself that it continues to be sound:</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement <b>OR</b></p> <p><input type="checkbox"/> at [insert location]</p> <p>... and that such a review has taken place in the reporting period covered by this Appendix 4G:</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement <b>OR</b></p> <p><input type="checkbox"/> at [insert location]</p>	<p><input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement</p>

Corporate Governance Council recommendation		We have followed the recommendation in full for the whole of the period above. We have disclosed ...	We have NOT followed the recommendation in full for the whole of the period above. We have disclosed ... <sup>4</sup>
7.3	<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>[If the entity complies with paragraph (a):]</p> <p>... how our internal audit function is structured and what role it performs:</p> <p><input type="checkbox"/> in our Corporate Governance Statement <b>OR</b></p> <p><input type="checkbox"/> at <i>[insert location]</i></p> <p>[If the entity complies with paragraph (b):]</p> <p>... the fact that we do not have an internal audit function and the processes we employ for evaluating and continually improving the effectiveness of our risk management and internal control processes:</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement <b>OR</b></p> <p><input type="checkbox"/> at <i>[insert location]</i></p>	<p><input checked="" type="checkbox"/> an explanation why that is so in our Corporate Governance Statement</p>
7.4	<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>... whether we have any material exposure to economic, environmental and social sustainability risks and, if we do, how we manage or intend to manage those risks:</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement <b>OR</b></p> <p><input type="checkbox"/> at <i>[insert location]</i></p>	<p><input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement</p>

Corporate Governance Council recommendation		We have followed the recommendation in full for the whole of the period above. We have disclosed ...	We have NOT followed the recommendation in full for the whole of the period above. We have disclosed ... <sup>4</sup>
PRINCIPLE 8 – REMUNERATE FAIRLY AND RESPONSIBLY			
8.1	<p>The board of a listed entity should:</p> <p>(a) have a remuneration committee which:</p> <p>(1) has at least three members, a majority of whom are independent directors; and</p> <p>(2) is chaired by an independent director, and disclose:</p> <p>(3) the charter of the committee;</p> <p>(4) the members of the committee; and</p> <p>(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> <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>[If the entity complies with paragraph (a):]</p> <p>... the fact that we have a remuneration committee that complies with paragraphs (1) and (2) <b>until 10 March 2020</b>:</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement <b>OR</b></p> <p><input type="checkbox"/> at <i>[insert location]</i></p> <p>... and a copy of the charter of the committee:</p> <p><input checked="" type="checkbox"/> on the Company's website <a href="http://www.keypetroleum.com.au/corporate_governance">http://www.keypetroleum.com.au/corporate_governance</a></p> <p>... and the information referred to in paragraphs (4) and (5):</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement and</p> <p><input checked="" type="checkbox"/> in the Company's 2020 Annual Report available on the Company's website <a href="http://www.keypetroleum.com.au/financial_reports">http://www.keypetroleum.com.au/financial_reports</a></p> <p>[If the entity complies with paragraph (b):]</p> <p>... the fact that we do not have a remuneration committee and the processes we employ 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><input checked="" type="checkbox"/> in our Corporate Governance Statement <b>OR</b></p> <p><input type="checkbox"/> at <i>[insert location]</i></p>	<p><input checked="" type="checkbox"/> an explanation why that is so in our Corporate Governance Statement <b>after 10 March 2020</b></p>
8.2	<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>... separately our remuneration policies and practices regarding the remuneration of non-executive directors and the remuneration of executive directors and other senior executives:</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement <b>OR</b></p> <p><input type="checkbox"/> at <i>[insert location]</i></p>	<p><input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement <b>OR</b></p> <p><input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable</p>

Corporate Governance Council recommendation		We have followed the recommendation in full for the whole of the period above. We have disclosed ...	We have NOT followed the recommendation in full for the whole of the period above. We have disclosed ... <sup>4</sup>
8.3	<p>A listed entity which has an equity-based remuneration scheme should:</p> <p>(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</p> <p>(b) disclose that policy or a summary of it.</p>	<p>... our policy on this issue or a summary of it:</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement and</p> <p><input checked="" type="checkbox"/> on the Company's website  <a href="http://www.keypetroleum.com.au/corporate_governance">http://www.keypetroleum.com.au/corporate_governance</a></p>	<p><input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement <b>OR</b></p> <p><input type="checkbox"/> we do not have an equity-based remuneration scheme and this recommendation is therefore not applicable <b>OR</b></p> <p><input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable</p>
<b>ADDITIONAL DISCLOSURES APPLICABLE TO EXTERNALLY MANAGED LISTED ENTITIES</b>			
-	<p><i>Alternative to Recommendation 1.1 for externally managed listed entities:</i></p> <p>The responsible entity of an externally managed listed entity should disclose:</p> <p>(a) the arrangements between the responsible entity and the listed entity for managing the affairs of the listed entity;</p> <p>(b) the role and responsibility of the board of the responsible entity for overseeing those arrangements.</p>	<p>... the information referred to in paragraphs (a) and (b):</p> <p><input type="checkbox"/> in our Corporate Governance Statement <b>OR</b></p> <p><input type="checkbox"/> at [insert location]</p> <p><b>NOT APPLICABLE</b></p>	<p><input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement</p>
-	<p><i>Alternative to Recommendations 8.1, 8.2 and 8.3 for externally managed listed entities:</i></p> <p>An externally managed listed entity should clearly disclose the terms governing the remuneration of the manager.</p>	<p>... the terms governing our remuneration as manager of the entity:</p> <p><input type="checkbox"/> in our Corporate Governance Statement <b>OR</b></p> <p><input type="checkbox"/> at [insert location]</p> <p><b>NOT APPLICABLE</b></p>	<p><input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement</p>

## **CORPORATE GOVERNANCE STATEMENT**

### **KEY PETROLEUM LIMITED**

**29 SEPTEMBER 2020**

This Corporate Governance Statement is current as at 29 September 2020 and has been approved by the Board of Directors on that date.

On behalf of the Directors

**GEOFF BAKER**

Chairman

29 September 2020

The Board of Directors is responsible for the operational and financial performance of the Company, including its corporate governance. The Board has adopted a corporate governance framework for the Company, the key features of which are set out in this statement. This Framework is underpinned by the ASX Corporate Governance Council's Corporate Governance Principles and Recommendations (the **ASX Recommendations**) which are applicable to ASX-listed entities.

Where the Company's corporate governance practices follow a recommendation, the Board has made appropriate statements reporting on the adoption of the recommendation. In compliance with the "if not, why not" reporting regime, where, after due consideration, the Company's corporate governance practices do not follow a recommendation, the Board has explained its reasons for not following the recommendation and disclosed what, if any, alternative practices the Company has adopted instead of those in the recommendation.

Key Petroleum Limited's corporate governance policies are available on the Company's website: [www.keypetroleum.com.au](http://www.keypetroleum.com.au).

Principle	Compliance	Comment
<b>Principle 1: Lay solid foundations for management and oversight</b>		
<p>1.1 A listed entity should disclose:</p> <p>(a) The respective roles and responsibilities of its board and management; and</p> <p>(b) Those matters expressly reserved to the board and those delegated to management.</p>	<i>Compliant</i>	<p>The Company's Board Charter, which is disclosed on the Company's website, sets out the Board's specific functions, responsibilities and powers, and those delegated to management.</p> <p>Broadly the key responsibilities of the Board include developing initiatives for profit and asset growth, setting strategic operational and financial objectives, and monitoring progress against those objectives; acting on behalf of, and being accountable to shareholders; identifying business risks and implementing actions to manage those risks and corporate systems to assure quality; reviewing the corporate, commercial and financial performance of the Company on a regular basis including;</p> <ul style="list-style-type: none"> <li>• Overseeing the Company's commitment to the health and safety of employees and contractors, the environment and sustainable development;</li> <li>• Appointing and removing the Managing Director/Chief Executive Officer, Company Secretary, and other senior executives, evaluating their performance, reviewing their remuneration and ensuring an appropriate succession plan;</li> <li>• Ensuring that there are effective Corporate Governance policies and practices in place;</li> <li>• Approving the issue of any shares, options, equity instruments or other securities in the Company</li> <li>• Appointment of external auditors and principal professional advisors; and</li> <li>• Formal determinations that are required by the Company's constitutional documents or by law or other external regulation.</li> </ul> <p>Beyond these matters the Board has delegated all authority to the Managing Director/Chief Executive Officer for management of the Company's business within any limits imposed by the Board.</p>
<b>Principle</b>		
<p>1.2 A listed entity should:</p> <p>(a) Undertake appropriate checks before appointing a person, or putting forward to security holders a candidate for election as a director; and</p> <p>(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>	<i>Compliant</i>	<p>New appointments to the Board undergo appropriate checks by the Board including checks as to the person's character, experience, education, criminal record and bankruptcy history. A profile of each Director is included in the Annual Report and in any notice of meeting where a Director is standing for election or re-election.</p>

Principle	Compliance	Comment
1.3 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.	<i>Compliant</i>	The Company Secretary has a direct line of communication with the Chairman and all Directors, and is responsible for advising the Board and committees on governance matters, monitoring Board and Committee policy and procedure adherence and supporting the proper functioning of the Board.
<p>1.4 A listed entity should:</p> <p>(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;</p> <p>(b) Disclose that policy or a summary of it; and</p> <p>(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:</p> <p>i. 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</p> <p>ii. 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>	<i>Non-Compliant</i>	<p>The Company has adopted a diversity policy which can be viewed on its website. The Company recognises that a diverse and talented workforce is a competitive advantage and encourages a culture that embraces diversity. However, the policy does not include requirements for the Board to establish measurable objectives for achieving gender diversity. Given the Company's size and stage of development as an exploration company, the Board does not think it is yet appropriate to include measurable objectives in relation to gender. As the Company grows and requires more employees, the Company will review this policy and amend as appropriate.</p> <p>The proportion of women employees in the whole organisation is 33.3%.</p> <p>There are currently no women in senior executive positions.</p> <p>The proportion of women on the Board is 33.3%.</p>

Principle	Compliance	Comment
<p>1.5 A listed entity should:</p> <p>(a) Have and disclose a process for periodically evaluating the performance of the board, its committees and individual directors; and</p> <p>(b) Disclose, in relation to each reporting period, whether a performance evaluation was undertaken in the reporting period in accordance with that process.</p>	<i>Non-Compliant</i>	<p>Given the size of the Company, formal procedures for evaluating the performance of the board, committees and individual directors have not been developed. The Company conducts these aspects on an ongoing basis and takes corrective action if required.</p> <p>During the reporting period, a performance evaluation of the Board was not undertaken.</p>
<p>1.6 A listed entity should:</p> <p>(a) Have and disclose a process for periodically evaluating the performance of its senior executives; and</p> <p>(b) Disclose, in relation to each reporting period, whether a performance evaluation was undertaken in the reporting period in accordance with that process.</p>	<i>Compliant</i>	<p>The Board and the Managing Director/Chief Executive Officer monitor the performance of senior executives on a regular basis. The Managing Director/Chief Executive Officer conducts an annual evaluation of each senior executive's performance, at which the senior executive's performance during the previous 12 months is assessed against relevant performance indicators, and role expectations are set for the following year.</p> <p>The Board (in the absence of the Managing Director/Chief Executive Officer) also assesses the performance of the Managing Director/Chief Executive Officer at least once in each financial year. The Chairman will meet with the Managing Director/Chief Executive Officer and provide him or her with feedback on the Board's assessment.</p> <p>During the reporting period, a performance evaluation of the Managing Director/Chief Executive Officer was undertaken in accordance with these processes.</p>



Principle	Compliance	Comment
<b>Principle 2: Structure the board to add value</b>		
2.1 The board of a listed entity should:	<i>Non-Compliant</i>	
<p>(a) Have a nomination committee which:</p> <p>(i) Has at least three members, a majority of whom are independent directors; and</p> <p>(ii) Is chaired by an independent director; and disclose:</p> <p>(iii) The charter of the committee;</p> <p>(iv) The members of the committee; and</p> <p>(v) As at the end of the reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or</p>		<p>The Company has not established a separate nomination committee.</p> <p>Given the Company's size and the complexity of its affairs, it is not considered necessary to have a separate Nomination Committee.</p>
<p>(b) If it does not have a nomination committee, disclose the fact and the process it employs to address board succession issues and to ensure that the board has the appropriate skills, knowledge, experience, independence and diversity to enable it to discharge its duties and responsibilities effectively.</p>	<i>Compliant</i>	<p>The full Board undertakes the duties of a nomination committee. Acting in its ordinary capacity from time to time as required, the Board carries out the process of determining the need for screening and appointing new directors. The Board has adopted a skills matrix to help determine appropriate skills, knowledge, experience, independence and diversity to discharge its duties and responsibilities effectively.</p>

Principle	Compliance	Comment
<p>2.2 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><i>Compliant</i></p>	<p>The Board regularly evaluates the mix of skills, experience, and diversity so that the Board operates effectively and efficiently. The Board believes that a highly credentialed Board, with a diversity of background, skills, and perspectives, will be effective in supporting and enabling delivery of good governance for the Company and value for the shareholders.</p> <p>The mix of skills that the Board looks to achieve in its membership includes:</p> <ul style="list-style-type: none"> <li>• Oil and gas industry experience;</li> <li>• Business acumen;</li> <li>• Petroleum Geology and Petroleum Operations;</li> <li>• Operational management;</li> <li>• Finance;</li> <li>• Corporate law and governance; and</li> <li>• Equity Markets</li> </ul> <p>The current composition of the Board addresses the petroleum geology component of the appropriate mix of skills and diversity in a limited capacity through the Managing Director/Chief Executive Officer. Until such time as the board composition includes more of this skill, the Company employs a petroleum geologist to complement the skill set of the Managing Director/Chief Executive Officer.</p> <p>A profile of each Director setting out their skills, experience, expertise and period of office is set out in the Director's Report in the 2020 Annual Report.</p>
<p>2.3 A listed entity should disclose:</p> <p>(a) The names of the directors considered by the board to be independent directors;</p> <p>(b) 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</p> <p>(c) The length of service of each director.</p>	<p><i>Compliant</i></p>	<ul style="list-style-type: none"> <li>• Rex Turkington (8 years, 1 month) Chairman (Independent). Retired 31 August 2020.</li> <li>• Dennis Wilkins (14 years, 2 months) Non-Executive Director (Independent).</li> <li>• Min Yang (6 years, 8 months) Non-Executive Director.</li> <li>• Geoff Baker (5 years, 6 months) Non-Executive Director. Chairman from 31 August 2020.</li> <li>• J L Kane Marshall (8 years, 5 months) Managing Director. Retired 28 August 2020.</li> </ul> <p>The Board notes that Dennis Wilkins has been a Director of the Company, and continues to be so, for over 14 years. The Board has formed the view that Mr Wilkins has significant experience and has the capacity to bring an independent judgement to bear on issues before the board and to act in the best interests of the entity as a whole rather than in the interests of an individual security holder or other party and that his length of service does not compromise his ability to be classified as an independent director.</p>

Principle	Compliance	Comment
2.4 A majority of the board of a listed entity should be independent directors.	<i>Non-Compliant</i>	The majority of the Board does not comprise independent directors. Notwithstanding this, the Board has formed the view that those directors who are regarded as not being independent still bring relevant expertise and independent contributions to the Board process.
2.5 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.	<i>Compliant</i>  <i>Non-Compliant</i>	<p>During the period 1 July 2019 to 31 August 2020, the Chairman (Rex Turkington) was an independent Non-Executive Director. He retired from the Board on 31 August 2020.</p> <p>At the date of this report, the Chairman is Geoff Baker. The Board recognises the ASX Recommendation that the Chair should be an independent director. As Chair, Mr Baker is not an independent director.</p> <p>The Directors believes that Geoff Baker is the most appropriate person to lead the Board as Chairman and that he is able to bring, and does bring quality independent judgement to all relevant issues falling within the scope of the role of Chairman and that the Company, as a whole, benefits from his long standing experience and business relationships.</p>
2.6 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 roles as directors effectively.	<i>Compliant</i>	<p>All new directors are provided with an induction including comprehensive meetings with senior executives and management, and provision of information on the Company including Company and Board policies.</p> <p>All directors are expected to maintain the skills required to effectively discharge their obligations to the Company. Directors are encouraged to undertake continuing professional education.</p> <p>The Board oversees the induction program for new directors and considers the training and development needs of all directors. The Board is responsible for ensuring that resources are allocated to developing and maintaining the directors' skills and knowledge, to ensure that the directors have and maintain the necessary skills and knowledge required to fulfil their role on the Board effectively.</p>
<b>Principle 3: Act ethically and responsibly</b>		
3.1 A listed entity should: <ul style="list-style-type: none"> <li>(a) have a code of conduct for its directors, senior executives and employees; and</li> <li>(b) disclose that code or a summary of it.</li> </ul>	<i>Compliant</i>	<p>The Company has established a Code of Conduct that sets out the standards of behaviour expected of all its employees, directors, officers, contractors and consultants. The Code of Conduct sets out Key's commitment to successfully conducting its business in accordance with all applicable laws and regulations while demonstrating and promoting the highest ethical standards and commitment to remaining a good corporate citizen.</p> <p>The Company's Code of Conduct can be viewed on its website.</p>

Principle	Compliance	Comment
<b>Principle 4: Safeguard integrity in corporate reporting</b>		
<p>4.1 The board of a listed entity should:</p> <p>(a) have an audit committee which:</p> <p>(i) has at least three members, all of whom are non-executive directors and a majority of whom are independent directors; and</p> <p>(ii) is chaired by an independent director, who is not the chair of the board,</p> <p>and disclose:</p> <p>(iii) the charter of the committee;</p> <p>(iv) the relevant qualifications and experience of the members of the committee; and</p> <p>(v) in relation to the reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or</p> <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 processes for the appointment and removal of the external auditor and the rotation of the audit engagement partner.</p>	<p><i>Compliant</i></p>	<p>During the period 1 July 2019 to 10 March 2020, the Company's Audit &amp; Risk Committee comprised Dennis Wilkins (Chair), Rex Turkington and Min Yang. Mr Wilkins is an accountant by discipline, and all members of the Audit &amp; Risk Committee consider themselves to be financially literate. Messrs Wilkins and Turkington are independent Directors.</p> <p>The Audit &amp; Risk Committee was chaired by Mr Wilkins who is an independent Director. Mr Wilkins is not Chair of the Board.</p> <p>The Audit &amp; Risk Committee Charter is disclosed on the Company's website whilst the qualifications and experience of the members are outlined in the profiles in the Directors' Report contained in the 2020 Annual Report.</p> <p>During the reporting period, the Committee met twice. Attendance at Board and Committee meetings is set out in the Directors' Report in the 2020 Annual Report.</p> <p>On 10 March 2020 the Board of Directors determined that there were no efficiencies to be gained by continuing the Audit and Risk Committee. It was resolved to disband this Committee. Instead the function of this Committee is undertaken by the full Board. When the Board is considering matters within the ambit of the Audit and Risk Committee Charter, it will be guided by and, to the extent practicable, act in accordance with, this Charter. At such time when the Group is of sufficient size, consideration will be given to reforming this Committee.</p>

Principle	Compliance	Comment
4.2 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.	<i>Compliant</i>	The Company's Managing Director/Chief Executive Officer and CFO or equivalent have provided the Board with the appropriate declarations in relation to the full year, half year, and quarterly financial reports during the reporting period.
4.3 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.	<i>Compliant</i>	The Company's external auditor is invited to, and attends the Annual General Meeting. The auditor's presence is made known to shareholders during the meeting, and shareholders are provided with the opportunity to address questions to the auditor.
<b>Principle 5: Make timely and balanced disclosure</b>		
5.1 A listed entity should: <ul style="list-style-type: none"> <li>(a) have a written policy for complying with its continuous disclosure obligations under the Listing Rules; and</li> <li>(b) disclose that policy or a summary of it.</li> </ul>	<i>Compliant</i>	The Company's Continuous Disclosure Policy (disclosed on the Company's website) sets out the key obligations of the Company's Directors, officers, employees and consultants in relation to continuous disclosure as well as the Company's obligations under the Listing Rules.
<b>Principle 6: Respect the rights of security holders</b>		
6.1 A listed entity should provide information about itself and its governance to investors via its website.	<i>Compliant</i>	<p>The Company's website (<a href="http://www.keypetroleum.com.au">www.keypetroleum.com.au</a>) provides information on the Company including its background, objectives, projects, composition of the Board and contact details. The Corporate Governance page provides access to key policies, procedures, and charters of the Company.</p> <p>ASX announcements, Reports, notices of meetings and presentations are uploaded to the website following release to the ASX and editorial content is updated on a regular basis.</p>

Principle	Compliance	Comment
6.2 A listed entity should disclose policies and processes it has in place to facilitate and encourage participation at meetings of security holders.	<i>Compliant</i>	<p>The Board encourages the attendance of Shareholders at Shareholders' meetings and sets the time and place of each meeting to promote maximum attendance by shareholders.</p> <p>The Company has formulated a Communication Policy which can be viewed on the Company's website.</p>
6.3 A listed entity should give security holders the option to receive communications from, and send communications to, the entity and its share registry electronically.	<i>Compliant</i>	<p>The Company encourages electronic communication from its shareholders via its email address (<a href="mailto:investors@keypetroleum.com.au">investors@keypetroleum.com.au</a>). In addition, details of ASX announcements, Company Reports and Presentations are distributed to interested parties via email as well as being uploaded to the website and to social media accounts.</p> <p>The Company's share registry also engages with Shareholders electronically and makes available a range of relevant forms on its website.</p>

Principle	Compliance	Comment
<b>Principle 7: Recognise and manage risk</b>		
<p>7.1 The board of a listed entity should:</p> <p>(a) Have a committee or committees to oversee risk, each of which:</p> <p>(i) Has at least three members, a majority of whom are independent directors; and</p> <p>(ii) Is chaired by an independent director, and disclose:</p> <p>(iii) The charter of the committee;</p> <p>(iv) The members of the committee; and</p> <p>(v) As at the end of the reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or</p> <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><i>Compliant</i></p>	<p>During the period 1 July 2019 to 10 March 2020, the Company's Audit &amp; Risk Committee comprised Dennis Wilkins (Chair), Rex Turkington and Min Yang. Mr Wilkins is an accountant by discipline, and all members of the Audit &amp; Risk Committee consider themselves to be financially literate. Messrs Wilkins and Turkington are independent Directors.</p> <p>The Audit &amp; Risk Committee is chaired by Mr Wilkins who is an independent Director. Mr Wilkins is not Chair of the Board.</p> <p>The Audit &amp; Risk Committee Charter is disclosed on the Company's website whilst the qualifications and experience of the members are outlined in the profiles in the Directors' Report contained in the 2020 Annual Report.</p> <p>During the reporting period the Committee met twice. Attendance at Board and Committee meetings is set out in the Directors' Report in the 2020 Annual Report.</p> <p>On 10 March 2020 the Board of Directors determined that there were no efficiencies to be gained by continuing the Audit and Risk Committee. It was resolved to disband this Committee. Instead the function of this Committee is undertaken by the full Board. When the Board is considering matters within the ambit of the Audit and Risk Committee Charter, it will be guided by and, to the extent practicable, act in accordance with, this Charter. At such time when the Group is of sufficient size, consideration will be given to reforming this Committee.</p> <p>The Company's risk management framework is supported by the Board and Management. The Board is responsible for approving and reviewing the Company's risk management strategy and policy. Management is responsible for monitoring that appropriate processes and controls are in place to effectively manage risk. The Board believes that it has the necessary skills within the Board to ensure a thorough understanding of the Company's key risks and is managing them appropriately.</p> <p>The Board oversees risk by reviewing the Company's risk matrix and risk register at least annually.</p>

Principle	Compliance	Comment
<p>7.2 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>	<i>Compliant</i>	<p>During the period, the Board, in conjunction with the Audit &amp; Risk Committee, reviewed the Company's risk management framework at least annually.</p> <p>During the reporting period the Company reviewed the risk management framework.</p>
<p>7.3 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>	<i>Non-Compliant</i>	<p>Given the size and operations of the Company, the Company does not currently have a formal internal audit function. However, the Board oversees the effectiveness of risk management and internal control processes.</p> <p>Management is responsible for operating a system of internal controls and reporting results and effectiveness of internal controls to the Board.</p>
<p>7.4 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>	<i>Compliant</i>	<p>As an oil and gas exploration company, the Company faces inherent risks in its activities including economic, environmental, and social responsibility risks. These risks, and how the Company manages them, may materially impact the Company's ability to create or preserve value for security holders.</p> <p>One of the Company's core values is care; it prioritises safety, health, the environment and community. The Company views sustainable and responsible business practices as an important long term driver of performance and shareholder value and is committed to transparency, fair dealing, responsible treatment of employees and partners and positive links to the community.</p> <p>The Company has in place policies and procedures, including a risk management framework (as described in the Company's Risk Management Policy), which are continually being developed and updated to help manage these risks.</p>



Principle	Compliance	Comment
<b>Principle 8: Remunerate fairly and responsibly</b>		
<p>8.1 The board of a listed entity should:</p> <p>(a) have a remuneration committee which:</p> <p>(i) has at least three members, a majority of whom are independent directors; and</p> <p>(ii) is chaired by an independent director, and disclose:</p> <p>(iii) the charter of the committee;</p> <p>(iv) the members of the committee; and</p> <p>(v) 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> <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><i>Compliant</i></p>	<p>During the period 1 July 2019 to 10 March 2020, a Remuneration Committee was in place and was comprised of three non-executive Directors: Dennis Wilkins (Chair), Rex Turkington and Geoff Baker. Mr Turkington and Mr Wilkins are independent Directors.</p> <p>The Remuneration Committee is chaired by Mr Wilkins who is an independent Director.</p> <p>The Remuneration Committee Charter is disclosed on the Company's website whilst the qualifications and experience of the members are outlined in the profiles in the Directors' Report contained in the 2020 Annual Report.</p> <p>During the reporting period the Committee did not meet.</p> <p>On 10 March 2020 the Board of Directors determined that there were no efficiencies to be gained by continuing the Remuneration Committee. It was resolved to disband this Committee. Instead the function of this Committee is undertaken by the full Board. When the Board is considering matters within the ambit of the Remuneration Committee Charter, it will be guided by and, to the extent practicable, act in accordance with, this Charter. At such time when the Group is of sufficient size, consideration will be given to reforming this Committee.</p>

Principle	Compliance	Comment
<p>8.2 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><i>Compliant</i></p>	<p>The structure of non-executive Director remuneration is clearly distinguished from that of Executive Directors and Senior Executives.</p> <p>Non-Executive Directors are remunerated on a fixed fee basis for time, commitment and responsibility as part of an aggregate remuneration pool approved by Shareholders.</p> <p>Senior Executives (including the Managing Director/Chief Executive Officer) are remunerated on an annual basis with a total fixed remuneration (i.e. cash base salary and superannuation at 9.5%) and a long term incentive.</p> <p>Further details on the Company's remuneration practices with regards to Key Management Personnel (KMP) are contained within the Remuneration Report which forms part of the Directors' Report in the 2020 Annual Report.</p>
<p>8.3 A listed entity which has an equity-based remuneration scheme should:</p> <p>(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</p> <p>(b) Disclose that policy or summary of it.</p>	<p><i>Compliant</i></p>	<p>The Company has an equity-based remuneration scheme. The Company's Securities Dealing Policy provides that participants in the scheme must not enter into any transactions which would have the effect of hedging or otherwise transferring to any other person the risk of any fluctuation in the value of any unvested scheme entitlement.</p> <p>The Securities Dealing Policy is located on the Company's website.</p>