

Pan Pacific Petroleum NL Corporate Governance Statement

CORPORATE GOVERNANCE

ASX PRINCIPLES AND RECOMMENDATIONS

Pan Pacific Petroleum NL ACN 000 749 799 (the "**Company**") remains committed to protecting shareholder interests and in doing so, endorsing the corporate governance principles which are relevant and appropriate to a corporation of comparable size and operations.

The corporate governance arrangements of the Company are reviewed by the board of directors (the "**Board**"), on an ongoing basis having regard to any amendments to the law and ASX Listing Rules, any changes to the Company's operations and taking into account what is in the best interests of the Company's shareholders.

This statement outlines the Company's approach to corporate governance for the financial year which ended on 30 June 2016 (the "**Reporting Period**"). It addresses each of the principles and recommendations set out by the ASX Corporate Governance Council in the 2014, third edition of the Corporate Governance Principles and Recommendations ("**ASX Principles and Recommendations**").

PRINCIPLE 1:

LAY SOLID FOUNDATIONS FOR MANAGEMENT AND OVERSIGHT

Recommendation 1.1 Role and Responsibilities of the Board and Management

The Constitution provides that the business of the Company is to be managed by or under the direction of the Board. The roles and responsibilities of the Board are formalised in the Board Charter. The Board considers that its prime responsibility is to oversee the business activities and management of the Group for the benefit of shareholders. An extract from the Board Charter listing the Board's responsibilities is set out below:

Matters which are specifically reserved for the Board include:

- approval of the budgets for the projects and joint ventures in which the Company is involved;
- approval of the Company's strategy, business plans and objectives, and the monitoring of performance against them;
- approval of acquisitions and divestments;
- monitoring the financial performance and operations of the Company including approval of the half yearly and annual Financial Statements and Reports;
- determining the capital structure of the Company and any dividend payments;
- recommendations to shareholders with respect to the appointment and removal of the Company's auditors;
- succession planning having regard to any perceived skills gap and subsequent approval of any new Board appointments and review of the Board's performance;
- appointing and determining the duration, remuneration and other terms of appointment of the Chief Executive Officer and approving the appointments of other Senior Executives;
- evaluating the performance of the Chief Executive Officer and other Senior Executives;
- approving the Company's risk management strategy and framework, and monitoring its effectiveness;
- responsibility for corporate governance systems and practices within the Company;
- approval of delegations of authority to the Chief Executive Officer and the Senior Executives of the Company;
- appointment of additional Directors as and when required; and

- establishment of Board Committees, their membership and charters.

The Board has delegated to the chief executive officer (the "CEO") or an individual Executive Director and to other senior executives, responsibility for the everyday management of the business. The scope of and limitations of the authority delegated is set out in the delegations of authority document (the "Delegations"). Those senior executives who are authorised or granted authority under the Delegations as well as any Executive Director are referred to as ("Senior Executives") for the purposes of this statement. The Delegations were reviewed during the Reporting Period with no amendments being made.

Recommendation 1.2 Director Checks

The Company does not have in place a policy to perform full checks on all potential directors. The Board does not believe this is required where the potential Director is known as an industry participant to current board members.

The Directors' biographical details including their, expertise and skills they are bringing to the Board are detailed on the Company's website and within the Annual Report. Details of any other material directorships currently held are also provided on the website and within the Annual Report.

Recommendation 1.3 Written Agreement with each Director and Senior Executive

When new directors are appointed to the Board, they are provided with details pertaining to their appointment and obligations as specified within the Board Charter, for example, their obligations regarding confidentiality. New directors are also provided with other relevant information such as remuneration details, including superannuation and expense policies, copies of the Company's policies, including the Company's securities trading policy ("Security Trading Policy") the Company's constitution, details pertaining to directors' insurance coverage and indemnification and prior Board minutes and papers as and when requested. New directors are also required to sign an ASX disclosure agreement with the Company, which requires the director to notify the Company of any sale or purchase of the Company's shares within three business days of the trade taking place.

The Company has not prepared formal letters of appointment for the existing directors of the Board as the Company considers that the items which would normally be referenced in a formal letter of appointment or provided to any new director as part of an induction pack, have either been explained to each current director or provided to them in the form of a Company policy or document.

Details of the letters of appointment and service contracts for senior executives are provided in the Remuneration Report within the Annual Report.

Recommendation 1.4 Company Secretary

The appointment and removal of a Company Secretary is a matter for decision by the Board. The Company Secretary, Ms Kim Ware, is accountable directly to the Board (through the Chairman) on all matters to do with the proper functioning of the Board. This arrangement is formalised in her employment contract. Details of the Company Secretary are set out in the Annual Report.

Recommendation 1.5 Diversity Policy

The Company believes in creating fair and equal access for employees to all employment opportunities and that a diverse workforce, including, but not limited to, gender, age, ethnicity and cultural background, will provide the broadest and most effective talent pool. All appointments are, however, made on the basis of merit.

Due to the size of the Company's workforce, the Company has not adopted a formal diversity policy or any gender diversity objectives. The Board believes that there is no detriment to the Company in not adopting a formal diversity policy or in not setting gender diversity objectives as the Company is committed to providing all employees with fair and equal access to employment opportunities and nurturing diversity within the Company. This is evidenced by 50% of the two senior positions within the Company, being occupied by a female Ms Kim Ware (Company Secretary/CFO (equivalent)). The senior

position referred to in this context are those of the CEO (if in office) or any Executive Director and the Company Secretary within the company defined as Senior Executives in Principle 1 of this statement.

For the year ending June 2016, females make up at least 66% of the Company's general workforce and 50% of the senior positions within the Company. Currently, there are no females on the Board.

Recommendation 1.6 Board Performance Assessment

Due to the size and composition of the Board, the Company does not have a formal process for the performance evaluation of the Board, or individual directors. However, the Chairman/Board undertakes an informal review of the Board's performance as and when required, but no less than annually and this was most recently undertaken on 28th July 2016. The Board considers that given the many and diverse views of the directors and as a majority of directors are themselves substantial shareholders or represent the views of a substantial shareholder of the Company, there is already a strong alignment between the performance of the Board and the best interests of the Company. Accordingly, no formal performance evaluation for the Board or its members took place during the Reporting Period.

Recommendation 1.7 Performance Evaluation of Senior Executives

The performance of the Senior Executives including the CEO or an Executive Director is reviewed annually. New Senior Executives are introduced to the Company through an informal induction programme and as part of this programme are given information concerning the Company's financial position, strategies, operations, risk management and the Company's various policies, procedures and the rights, duties and responsibilities and roles of the Board and Senior Executives.

The Board is responsible for determining the performance objective(s), if any (the "PO's"), for Senior Executives and evaluating their performance against them. The PO's, if set by the Board, are set annually for the upcoming twelve months and may vary from year to year depending on the financial and strategic goals of the Company. As there is no CEO in office no performance objectives were set for the 2016 year.

The Board considers the performance of the Senior Executives and the overall performance of the Company, when awarding either short-term or long-term incentives for the year completed and when assessing fixed remuneration for the next year. The Senior Executive performance evaluations for the 2016 Reporting Period were finalised during the Reporting Period. Further information with respect to this process is contained within the remuneration report ("**Remuneration Report**")

PRINCIPLE 2:

STRUCTURE THE BOARD TO ADD VALUE

Recommendation 2.1 Nominations Committee

Due to the size of the Company and the composition of the Board, a nomination committee has not been established. No formal procedure governing the appointment of new directors has been established. The Board considers that the Company is not currently of a size to justify the formation of a Nomination Committee. The Board as a whole undertakes the process of reviewing the skills base and experience of existing directors to enable identification of attributes required in new directors and assumes responsibility for the appointment of any new directors, the formulation of any succession plans and the re-appointment of directors to the Board.

Retirement and rotation of directors is governed by the Company's constitution. Each year, one-third of the directors (rounded down) must retire by rotation and, if eligible, may offer themselves up for re-election. Re-appointment of directors is not automatic and is subject to shareholder approval. Any casual vacancy filled between general meetings will be subject to a shareholder vote at the next annual general meeting of the Company. Shareholders are provided with relevant information on each of the candidates for election or, where applicable, re-election. The Board has determined that it is in the best interests of the Company for the Board to determine on a case by case basis, having regard to any relevant information at the time, whether or not to recommend the re-election of relevant directors. For this reason,

the Board has not established a formal procedure in relation to the re-appointment of directors. The permitted number of directors is specified in the Company's constitution as a minimum of three and a maximum of seven.

This is outlined in the Board Charter as a matter reserved for the Board (see recommendation 1.1)

Recommendation 2.2 Board Skills Matrix

The Board does not have a formal Board skills Matrix. The Board considers that it is in the best interests of the Company for the Board as a whole to determine the criteria for the selection of new directors, based on any perceived "gaps" in the skill set of the Board, as and when a casual vacancy arises.

However the mix of skills, experience and expertise that the Board currently has includes general skills expected for board membership (such as executive leadership and management experience, financial acumen and corporate governance and risk management experience), those areas relevant to the Company's strategy. In particular, these areas are Resource Industry Experience (commercial), Debt and Capital Market Experience. Each of these areas is currently represented by the Board collectively.

The Board is of the view that the current Directors possess an appropriate mix of skills, experience, expertise and knowledge to enable the Board to discharge its responsibilities, deliver the Company's corporate objectives and direct the Company in accordance with appropriate standards of corporate governance for its size.

Recommendation 2.3 Director Independence

An independent director is defined in the Recommendations as a director that is free of any interest, position, association or relationship that might influence, or reasonably be perceived to influence, in a material respect his or her capacity to bring an independent judgment to bear on issues before the Board and to act in the best interests of the Company and its shareholders generally.

The Board makes an annual determination in respect of the independence of each Board member. The Board in making such a determination utilises as a guide the considerations set out in Box 2.3, the relationships affecting independent status, in Principle 2.3 of the ASX Principles and Recommendations. In addition, the Directors are required on an ongoing basis to disclose relevant personal interests and conflicts of interest which may in turn trigger an ad-hoc review of a Director's independent status.

On 23rd June 2016, at the conclusion of its annual review of director independence, the Board confirmed that, in its view, Mr Tattersfield, is an independent directors. Three (3) of the Directors have been determined as being non-independent including the Mr Sullivan chairman of the Board ("Chairman") and Mr Morrison as they have declared that they are an associate of the Company's largest substantial shareholder – Zeta Energy Pte Limited with a holding of 50.432% (per last substantial shareholder notice dated 27 July 2016). Mr Worner's independence status had changed by virtue of his contract with the Company having engaged him in an executive capacity during financial year 2016. Notwithstanding that Mr Tattersfield is a substantial shareholder of the Company. The materiality of his holding at 7.6% is not seen to interfere with Mr Tattersfields commitment to the aims and ambitions of all shareholders of the Company and outweighs any apparent inference of non-independence that he may bring as a substantial shareholder. Where required Mr Sullivan, Mr Morrison and Mr Worner exclude themselves from any items of business where there may be a conflict please see Recommendation 3.1 Code of Conduct.

The current Board composition and status is set out below.

Directors	First Appointed	Non-Executive	Independent	Role
Peter Sullivan	26th of September 2014	Yes	No	Chairman
Dugald Morrison	22nd June 2015	Yes	No	Member
Allan Tattersfield	22nd February 2005	Yes	Yes	Member
Grant Worner	22nd June 2015	No	No	Member

Recommendation 2.4 Majority of Directors Independent

The recommendation of best practice is that a majority of directors (and in particular, the chairperson) should be independent. 25% of the Board of the Company are independent Directors. The Chairman is not Independent. The Board consider that there are appropriate controls such that where required Mr Sullivan excludes himself from any items of business where there may be a conflict please see Recommendation 3.1 Code of Conduct.

Recommendation 2.5 Chairman and Chief Executive Officer/ Executive Director

Selection and Role of the Chairman

The Board selects and appoints the Chairman. The Board has determined that the Chairman, Mr Sullivan, is not independent. It has been determined by the Board that the association has been assessed to not interfere with the Mr Sullivan's capacity to bring an independent judgement to bear on issues before the board and to act in the best interests of the entity and its security holders generally. Where required Mr Sullivan excludes himself from any items of business where there may be a conflict please see Recommendation 3.1 Code of Conduct.

The Chairman's role and responsibilities are separate from those of the Executive Director and the Company Secretary running the day to day management of the Company.

The Chairman's role and responsibilities are set out in the Board Charter and include the following:

- ensure effective conduct of Board and shareholder meetings;
- finalising the agenda for each Board meeting with the Company secretary ("**Company Secretary**") and ensuring that minutes of meetings accurately record decisions taken and, where appropriate, the views of individual directors; and
- promoting constructive and efficient relations and communication between the Board and Senior Executives.

Recommendation 2.6 Company Induction and Professional Development of Directors

New Directors are inducted into the Company by being provided with copies of the Company's relevant policies, codes, risk profile and governing documentation. In addition new Directors are encouraged to meet with the Senior Executives of the Company to further familiarise themselves with the Company's activities.

Directors are encouraged to attend director training and professional development courses, as and when required, at the Company's expense. New directors also receive an information pack and have access to all employees including Senior Executives to gain further background and information on the Company's operations

Directors have access to company employees, advisors and records and receive regular detailed financial

and operational reports from Senior Executives at each Board meeting and other material information from Senior Executives on an ad hoc basis. In carrying out their duties and responsibilities, directors have access to advice and counsel from both the Chairman and the Company Secretary and are able to seek independent professional advice at the Company's expense after having first consulted with the Chairman.

PRINCIPLE 3: PROMOTE ETHICAL AND RESPONSIBLE DECISION-MAKING

Recommendation 3.1 Code of Conduct

The Company has a workplace behaviours and business code of conduct (the "**Code**"). Each employee, consultant, contractor and Director is required to have read and confirmed acceptance of the Code before they provide any services to the Company. The Code is reviewed as and when required but no less than annually by the Board. On 26 March 2014, the Board approved amendments to the Code in relation to the Enhancing Privacy Protection Act 2012 and the updated Code was adopted in April 2014.

The Code embodies the following principles which non-executive directors, employees, consultants and contractors are committed to honouring:

- compliance with and respect for the law in each of the jurisdictions in which the Company has dealings with and stock exchange listing rules;
- promotion of a safe and healthy work environment and minimising the potential impact of the Company's activities on the environment;
- acting with professional integrity, maintaining confidentiality and being fair and honest in all dealings;
- not engaging in any conduct which is or could be perceived as a conflict of interest; and
- protecting the best interests of shareholders through the protection of the Company's assets and resources.

No breaches have been reported to the Board from the point in time that the Code was adopted.

The Company has previously implemented a health, safety and environmental policy ("**HSE Policy**") as part of the Company's commitment to a safe and healthy work environment and to assist with minimising the potential impacts of the Company's activities on the natural environment. The HSE Policy is available on the Company's website.

The Board is conscious of its obligations to ensure that directors avoid conflicts of interest (both real and apparent) between their duty to the Company and their own interests or interests of another company. All directors are required to disclose any actual or potential conflict of interest upon appointment and are required to keep these disclosures to the Board up-to-date. These requirements are embodied in the Code.

PRINCIPLE 4: SAFEGUARD INTEGRITY IN FINANCIAL REPORTING

Recommendation 4.1 Audit Committee

During 2015 the Board disbanded the Audit Committee due to the size and time commitment required of all Board members.

However, the Board undertakes the role that the Audit committee performed with respect to the following:

- the maintenance of appropriate and reliable financial and management reporting systems;
- reviewing the Company's semi-annual and annual financial statements with respect to the adoption of these statements;
- ensuring compliance with ASX and statutory reporting requirements and application of accounting standards;
- overseeing the establishment and maintenance of effective internal controls and procedures;

- the identification and management of financial and other business risks in accordance with the Company's risk management policy ("Risk Management Policy"); and
- the maintenance of an effective and efficient audit process and overseeing the independence of the external auditor.

The responsibilities of the Board with respect to the Audit function remain as:

- monitoring compliance relating to the preparation and presentation of financial results;
- reviewing and discussing with management and the External Auditor, before submission to the Board, the semi-annual and annual financial statements;
- reviewing the financial statements to take into account decisions requiring an element of judgement and the extent to which the financial statements are affected by any unusual transactions, including assessing Management's processes supporting external reporting, and reporting this to the Board;
- assessing whether the half-year financial report, full-year financial report and all other external reporting is consistent with the Board members' information and knowledge and is adequate for shareholder needs;
- determining the reliability and appropriateness of accounting policies and financial reporting obligations having regard to any *Corporations Act 2001* (Cth), Australian Accounting Standards, ASX requirements and generally accepted accounting principles;
- receiving representation letters from Senior Executives; and
- assessing the effects of any new or proposed accounting practices, principles or developments, disclosure requirements or regulatory changes.

The Board is responsible for appointing an external auditor, subject to shareholder approval and the requirements of the *Corporations Act 2001* (Cth). The general process of selecting and appointing external auditors is as follows.

- The CFO implements a selection process for the appointment of the external auditor and makes a recommendation to the Board, based on an assessment of the responses received from potential external auditors with regard to a number of key criteria, including but not limited to, audit approach and methodology, internal governance processes, global resources, key personnel and cost.

The Company requires key audit partners of its external auditor and any other individual playing a significant role in the audit of the Company (including the lead audit engagement partner, the independent review partner and any other partners who make key decisions or judgements in relation to the external audit of the Company) to rotate in accordance with current professional standards, including Section 324DA of the *Corporations Act 2001* (Cth). Subject to the requirements of the *Corporations Act 2001* (Cth), the key audit partners are required to rotate every 5 years.

The external auditor is expected to manage its audit team members to ensure adequate rotation of staff.

Recommendation 4.2 Declarations from the CEO and CFO

The Chief Executive Officer and the Chief Financial Officer are required to make a declaration in accordance with section 295A of the *Corporations Act* that, in their opinion, the financial records of the Company have been properly maintained and that the Company's financial reports comply with the appropriate accounting standards and present a true and fair view of the Company's financial position and performance. The Senior Executives that perform the equivalent of these roles being the Senior Executives gave the above declarations to the Board before it adopted the Company's 2016 Financial Statements and also at each Half Yearly and Quarterly Report.

The Senior Executives have also stated in writing to the Board that their opinion is founded on a sound system of risk management and internal control which is operating effectively.

Recommendation 4.3 External Auditors

The Board ensures that a representative of the external auditor of the Company attends the AGM to allow shareholders to ask the external auditor any questions about the conduct of the audit, the preparation and content of the auditor's report, the accounting policies adopted by the Company in relation to the preparation of the financial statements and the independence of the auditor in relation to the conduct of the audit.

PRINCIPLE 5: MAKE TIMELY AND BALANCED DISCLOSURE

Recommendation 5.1 Continuous Disclosure Policy

The Company is committed to providing relevant up-to-date information to its shareholders and the broader investment community in accordance with the continuous disclosure requirements under the ASX Listing Rules and the *Corporations Act 2001* (Cth).

In accordance with the continuous disclosure requirements under the ASX Listing Rules, the Company maintains a Continuous Disclosure Policy (a copy of which is available on the Company's website). The Continuous Disclosure Policy ensures that all price sensitive information is identified, reviewed by management and disclosed to the ASX and NZX in a timely manner and that all information provided to the ASX and NZX is available to shareholders and the market on the Company's website and emailed to the Company's subscriber list.

The Company has during the Reporting Period, remained committed to providing timely, full and accurate disclosure and to keeping its markets informed with drilling updates during the Company's periods of drilling activity and with quarterly releases detailing exploration and production and annual and half yearly reports to shareholders.

PRINCIPLE 6: RESPECT THE RIGHTS OF SECURITY HOLDERS

Recommendation 6.1 Information on Website, and 6.2 Investor Relations Program

The Board aims to ensure that shareholders are kept informed of all major developments affecting the Company. The Company has not established a formal investor relations program. The Board has formalised a Shareholder Communications policy which is available in the Corporate Governance area of the website.

The Company provides information about itself and its governance to investors via its website and has a "Corporate Governance" page where all relevant corporate governance information can be accessed including Corporate Governance Policies and Charters.

The Company website also includes copies of annual reports and financial statements, copies of its ASX and NZX announcements, copies of Notice of Meetings as well as an overview of the Company's business activities in appropriate areas of the website.

Recommendation 6.3 Participation at Meetings of Shareholders

The Company's Shareholder Communications policy is designed to encourage effective participation by shareholders at general meetings of the Company it outlines that shareholders are to receive reports and participate in shareholder meetings by attendance or by written communication. Shareholders can make an election to receive a copy of the Company's Annual Report by mail; otherwise the Annual Report is available on the Company's website. The Company has online voting facilities available which allow shareholders to vote online in respect proposed resolutions of shareholders at all meetings of the Company's shareholders via Link Market Services, the Company's share register, ahead of the meeting without having to attend by appointing a proxy or corporate representative.

The Company regards annual general meetings as an important opportunity for engaging and communicating with shareholders. Shareholders are encouraged to attend and the Chairman encourages

questions and comments from shareholders and seeks to ensure that shareholders are given ample opportunity to participate.. Any presentations made are released via the ASX and NZX and published on the Company's website.

Recommendation 6.4 Electronic Communication

The Company has the capability to communicate with shareholders electronically through its subscriber function on its website, email communications and share registry. Electronic contact details are provided on the Company's website.

PRINCIPLE 7: RECOGNISE AND MANAGE RISK

Recommendation 7.1 Risk Committee

The Company does not have in place a Risk Committee, this function is performed by the Board as a whole. The Company has in place a risk management framework and Risk Management Policy for the effective management of risk across its business. The policy sets out details of the proactive and systematic approach that the Company takes to managing risks and identifies the roles and responsibilities of the Board, management and employees in the oversight and management of the Company's group risks. The CEO or Executive Director is responsible for managing the policy.

A summary of the Risk Management Policy is available on the Company's website.

Recommendation 7.2 Annual Risk Review

The Board requires management to design and implement the risk management framework in a way that proactively and systematically identifies, assesses and addresses events that could potentially have an adverse impact upon the Company's business objectives.

This framework integrates the consideration of risk into activities of the Company, so that the key risks in relation to the efficient and effective operation of functions and the successful execution of the Company's business strategy are identified, implemented in the form of business processes and control measures which are regularly evaluated and, where required, improvements in these controls are implemented.

The Board receives operational, new venture and financial reports for each scheduled Board meeting which contain (where applicable) information on current key business risks, including the status and effectiveness of control measures in relation to each of those risks.

In addition to the regular reports received by the Board, the Board receives from the Executive Director the findings of an annual company review of key risks with respect to operational, development and corporate activities. This report identifies major risks along with controls and risk mitigations plans ("Annual Risk Review"). The Executive Director (in the Annual Risk Review presented to the Board during the Reporting Period), confirmed that (to the best of his knowledge and belief) the Company's material business risks were being managed effectively. The Board approved the effectiveness of the Company's management of its material business risks.

Recommendation 7.3 Internal Audit

Whilst the Company does not have a designated internal audit function, it has formulated internal control processes and procedures which are reviewed and modified by the CFO as and when there is a material change to the Company but no less than annually to ensure reasonable levels of control are maintained ("Internal Control Processes"). The Internal Control Processes are then provided to the external auditors for inclusion in the annual audit process. Due to the size of the Company, the Company currently does not require a full-time employee to assess internal controls; rather the CFO undertakes the internal assessment of controls as a function of the CFO role.

Recommendation 7.4 Material exposure to economic, environmental and social sustainability risks

The Company values economic, environmental and social sustainability within the areas it has a presence. In order to mitigate any material exposure to economic, environmental and social sustainability risks, the Board, assisted by the Executive Director, has oversight of risk management and meet annually or as required to review and assess risks.

The Company's review of Material Business Risks gives consideration to the specific risk areas of economic sustainability; environmental sustainability and social Sustainability and manages the following related risks.

Oil price and Currency fluctuations

- Oil price volatility and ranges are factored into and stress tested within PPP cash forecasts. The Company periodically considers the option of hedging Tui production, but does not currently hedge as in all but extreme scenarios the potential benefits are very low.
- The mix of currencies is periodically reviewed to ensure that the Company is balancing investment revenue with the risk of decline in value. The Company has elected to retain the majority of funds in US\$, the earning currency, which provides a natural hedge against meeting dominantly US\$ expenses.

Joint Venture performance

- As a non-operator the Company is reliant on the performance of the respective operators to manage operations safely and effectively and to preserve and deliver value in its joint ventures. The Company plays an active role in performance management of the joint ventures through the review and approval of Work Program and Budgets (WP&B), project sanctioning, and performance monitoring. The Company's joint venture budgeting provides for a contingency amount to mitigate the impact of cost over runs.
- The Company insures operational risk related to joint venture activities when prudent to do so, including Business Continuity insurance in respect of loss of Tui production. It is not possible to insure for failure related to wear and tear and hence asset integrity at Tui is routinely reviewed at joint venture meetings and discussed with the Board.

HSE and Social Sustainability

- As a non-operator PPP does not have direct impact on significant HSE impacts, and relies on the performance of the JV operators which is reviewed at joint venture meetings and by the Board in monthly and operational progress reports. The Company HSE Policy indicates a commitment to support the Operator adopting measures and standards that will improve health, safety and environmental performance. The financial consequences of a significant HSE incident are managed through insurance.
- Social sustainability is recognised as of importance by the Company which supports the community discretionary programs proposed by its operators in New Zealand and Vietnam, and the Local Content obligations included in Production Service Contracts. Performance is periodically reviewed at Board meetings.

PRINCIPLE 8: REMUNERATE FAIRLY AND RESPONSIBLY

Recommendation 8.1 Remuneration Committee and 8.2 Disclosure of Remuneration policies and Practices

The Board disbanded the Remuneration Committee on 22 June 2015. The Board decided it was unnecessary and an unjustified diversion of shareholders' funds to establish a separate Remuneration Committee given the nature of the Company's operations and its low direct employee count. The Board have assumed the key responsibilities of establishing the remuneration for non-executive directors and Senior Executives including the CEO (if in office), and setting and evaluating performance objectives for the Senior Executives. The role also includes formulation of the Company's Remuneration Policy, (which was last reviewed but not subsequently updated, on 24th August 2015) and any relevant policies relating to recruitment, retention and termination, formulation of short term and long term incentive schemes and review of the Remuneration Report. The Remuneration Policy is available on the Company's website.

The Board, in setting remuneration levels, is mindful of the level of the base salary component of salaries paid to employees in equivalent positions in comparable companies in the same industry and considers the extent to which the proposed remuneration will motivate Senior Executives to pursue the long-term growth and success of the Company, and weighs this up against the Company's desire not to pay excessive remuneration. The Board also ensures that no individual is directly involved in determining the remuneration they will receive.

The Board where and when needed will consult with external consultants and specialists.

The remuneration for non-executive directors is structured separately from that of Senior Executives. Information on remuneration for non-executive directors, and Senior Executives is set out in the Remuneration Report. The Company does not have in place any schemes for retirement benefits, other than superannuation, for non-executive directors.

The Company prohibits as a general policy, non-executive directors and Company employees from entering into transactions in associated products which limit the economic risk of participating in unvested entitlements under any equity-based remuneration schemes.

Remuneration matters are dealt with formally at least once a year by the Board.

If any shareholders have any concerns with the Remuneration Report, the Board invites them to contact the Company and meet with the Board before each annual general meeting. The Board will try, where appropriate, to take reasonable steps to address their concerns; subject always to their directors' duties to the Company as a whole.

Recommendation 8.3 Policy on Equity Based Remuneration Scheme

The Company does not have a companywide equity-based remuneration scheme. From time to time in accordance with an Employee's contract options have been issued as part of a remuneration package. For details please see the Remuneration Report in the Annual Report. As the Corporations Act prohibits the key management personnel of an ASX listed company established in Australia, or a closely related party of such personnel, from entering into an arrangement that would have the effect of limiting their exposure to risk relating to an element of their remuneration that either has not vested or has vested but remains subject to a holding lock, there is no additional policy in place regarding Equity based Remuneration.

To safeguard against insider trading the Company's Securities Trading Policy prohibits directors, employees, contractors and consultants ("**Workers**") from trading the Company's securities if they are aware of any information that would be expected to have a material effect on the price of the Company securities.

The Company has in place a Securities Trading Policy. Under the Policy, Workers are not able to trade in the Company's securities:

- between close of trade two calendar weeks prior to the day on which preliminary final results are

released to the ASX and the New Zealand Exchange ("**NZX**") and close of trade a calendar week after release of the preliminary final results;

- between close of trade two calendar weeks prior to the day on which half yearly results are released to the ASX and the NZX, and close of trade a calendar week after release of the half yearly results;
- any other period determined by the directors and notified to the Workers; or
- where it would result in a breach of the insider trading provisions of the *Corporations Act 2001* (Cth).

The Securities Trading Policy is available on the Company's website.

All information referred to in the Corporate Governance Statement as being on the Company's website can be found at the web address www.panpacpetroleum.com.au under the section Investor Centre, Corporate Governance.

Appendix 4G

Key to Disclosures Corporate Governance Council Principles and Recommendations

Name of entity:

Pan Pacific Petroleum NL

ABN / ARBN:

000 749 799

Financial year ended:

2016

Our corporate governance statement² for the above period above can be found at:³

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These pages of our annual report:

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This URL on our website:

<http://www.panpacpetroleum.com.au/category/investor-centre/corporate-governance/>

The Corporate Governance Statement is accurate and up to date as at 30th August 2016 and has been approved by the board.

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

Date:

30th August 2016

Name of Director or Secretary authorising
lodgement:

Kim M Ware

¹ 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.

² "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.

³ 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 ... ⁴
PRINCIPLE 1 – LAY SOLID FOUNDATIONS FOR MANAGEMENT AND OVERSIGHT			
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 <u>OR</u> <input type="checkbox"/> at <i>[insert location]</i> ... 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 type="checkbox"/> at <i>[insert location]</i>	<input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement <u>OR</u> <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 type="checkbox"/> in our Corporate Governance Statement <u>OR</u> <input type="checkbox"/> at <i>[insert location]</i>	<input checked="" type="checkbox"/> an explanation why that is so in our Corporate Governance Statement <u>OR</u> <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 type="checkbox"/> in our Corporate Governance Statement <u>OR</u> <input type="checkbox"/> at <i>[insert location]</i>	<input checked="" type="checkbox"/> an explanation why that is so in our Corporate Governance Statement <u>OR</u> <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 <u>OR</u> <input type="checkbox"/> at <i>[insert location]</i>	<input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement <u>OR</u> <input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable

⁴ 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 ... ⁴
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 <u>OR</u></p> <p><input type="checkbox"/> at <i>[insert location]</i></p> <p>... and a copy of our diversity policy or a summary of it:</p> <p><input type="checkbox"/> at <i>[insert location]</i></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 <u>OR</u></p> <p><input type="checkbox"/> at <i>[insert location]</i></p> <p>... and the information referred to in paragraphs (c)(1) or (2):</p> <p><input type="checkbox"/> in our Corporate Governance Statement <u>OR</u></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 <u>OR</u></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 checked="" type="checkbox"/> in our Corporate Governance Statement <u>OR</u></p> <p><input type="checkbox"/> at <i>[insert location]</i></p> <p>... and the information referred to in paragraph (b):</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement <u>OR</u></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 <u>OR</u></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 <u>OR</u></p> <p><input type="checkbox"/> at <i>[insert location]</i></p> <p>... and the information referred to in paragraph (b):</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement <u>OR</u></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 <u>OR</u></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 ... ⁴
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 <u>OR</u></p> <p><input type="checkbox"/> at <i>[insert location]</i></p> <p>... and a copy of the charter of the committee:</p> <p><input type="checkbox"/> at <i>[insert location]</i></p> <p>... and the information referred to in paragraphs (4) and (5):</p> <p><input type="checkbox"/> in our Corporate Governance Statement <u>OR</u></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 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 type="checkbox"/> in our Corporate Governance Statement <u>OR</u></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 <u>OR</u></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 type="checkbox"/> in our Corporate Governance Statement <u>OR</u></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 <u>OR</u></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 ... ⁴
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 <u>OR</u> <input type="checkbox"/> at <i>[insert location]</i> ... and, where applicable, the information referred to in paragraph (b): <input checked="" type="checkbox"/> in our Corporate Governance Statement <u>OR</u> <input type="checkbox"/> at <i>[insert location]</i> ... and the length of service of each director: <input checked="" type="checkbox"/> in our Corporate Governance Statement <u>OR</u> <input type="checkbox"/> at <i>[insert location]</i>	<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 <u>OR</u> <input type="checkbox"/> at <i>[insert location]</i>	<input checked="" type="checkbox"/> an explanation why that is so in our Corporate Governance Statement <u>OR</u> <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 type="checkbox"/> in our Corporate Governance Statement <u>OR</u> <input type="checkbox"/> at <i>[insert location]</i>	<input checked="" type="checkbox"/> an explanation why that is so in our Corporate Governance Statement <u>OR</u> <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 <u>OR</u> <input type="checkbox"/> at <i>[insert location]</i>	<input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement <u>OR</u> <input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable
PRINCIPLE 3 – ACT ETHICALLY AND RESPONSIBLY			
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 type="checkbox"/> in our Corporate Governance Statement <u>OR</u> <input checked="" type="checkbox"/> at http://www.panpacpetroleum.com.au/category/investor-centre/corporate-governance/	<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 ... ⁴
PRINCIPLE 4 – SAFEGUARD INTEGRITY IN CORPORATE REPORTING			
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):</p> <p><input type="checkbox"/> in our Corporate Governance Statement <u>OR</u></p> <p><input type="checkbox"/> at <i>[insert location]</i></p> <p>... and a copy of the charter of the committee:</p> <p><input type="checkbox"/> at <i>[insert location]</i></p> <p>... and the information referred to in paragraphs (4) and (5):</p> <p><input type="checkbox"/> in our Corporate Governance Statement <u>OR</u></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 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 <u>OR</u></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>
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 <u>OR</u></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 ... ⁴
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 <u>OR</u> <input type="checkbox"/> at <i>[insert location]</i>	<input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement <u>OR</u> <input type="checkbox"/> we are an externally managed entity that does not hold an annual general meeting and this recommendation is therefore not applicable
PRINCIPLE 5 – MAKE TIMELY AND BALANCED DISCLOSURE			
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 type="checkbox"/> in our Corporate Governance Statement <u>OR</u> <input checked="" type="checkbox"/> at http://www.panpacpetroleum.com.au/category/investor-centre/corporate-governance/	<input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement
PRINCIPLE 6 – RESPECT THE RIGHTS OF SECURITY HOLDERS			
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"/> at http://www.panpacpetroleum.com.au/category/investor-centre/corporate-governance/	<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 <u>OR</u> <input type="checkbox"/> at http://www.panpacpetroleum.com.au/category/investor-centre/corporate-governance/	<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 <u>OR</u> <input type="checkbox"/> at <i>[insert location]</i>	<input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement <u>OR</u> <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 <u>OR</u> <input type="checkbox"/> at <i>[insert location]</i>	<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 ... ⁴
PRINCIPLE 7 – RECOGNISE AND MANAGE RISK			
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):</p> <p><input type="checkbox"/> in our Corporate Governance Statement <u>OR</u></p> <p><input type="checkbox"/> at <i>[insert location]</i></p> <p>... and a copy of the charter of the committee:</p> <p><input type="checkbox"/> at <i>[insert location]</i></p> <p>... and the information referred to in paragraphs (4) and (5):</p> <p><input type="checkbox"/> in our Corporate Governance Statement <u>OR</u></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 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 <u>OR</u></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>
7.2	<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 <u>OR</u></p> <p><input type="checkbox"/> at <i>[insert location]</i></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 <u>OR</u></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 ... ⁴
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):] ... how our internal audit function is structured and what role it performs:</p> <p><input type="checkbox"/> in our Corporate Governance Statement <u>OR</u></p> <p><input type="checkbox"/> at <i>[insert location]</i></p> <p>[If the entity complies with paragraph (b):] ... 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 <u>OR</u></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 <u>OR</u></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 ... ⁴
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):</p> <p><input type="checkbox"/> in our Corporate Governance Statement <u>OR</u></p> <p><input type="checkbox"/> at <i>[insert location]</i></p> <p>... and a copy of the charter of the committee:</p> <p><input type="checkbox"/> at <i>[insert location]</i></p> <p>... and the information referred to in paragraphs (4) and (5):</p> <p><input type="checkbox"/> in our Corporate Governance Statement <u>OR</u></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 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 <u>OR</u></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 <u>OR</u></p> <p><input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable</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>... 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 type="checkbox"/> in our Corporate Governance Statement <u>OR</u></p> <p><input checked="" type="checkbox"/> at http://www.panpacpetroleum.com.au/category/investor-centre/corporate-governance/ and in our 2016 Annual Report found here: http://www.panpacpetroleum.com.au/category/investor-centre/reports/annual-reports/</p>	<p><input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement <u>OR</u></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 ... ⁴
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 type="checkbox"/> in our Corporate Governance Statement <u>OR</u></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 <u>OR</u></p> <p><input checked="" type="checkbox"/> we do not have an equity-based remuneration scheme and this recommendation is therefore not applicable <u>OR</u></p> <p><input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable</p>
ADDITIONAL DISCLOSURES APPLICABLE TO EXTERNALLY MANAGED LISTED ENTITIES – N/A			
-	<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 <u>OR</u></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>
-	<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 <u>OR</u></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>