

Rules 4.7.3 and
4.10.3¹

ASX APPENDIX 4G

Key to Disclosures Corporate Governance Council Principles and Recommendations

Name of entity

Molopo Energy Limited

ABN: 79 003 152 154

Financial year ended 31 December 2019

Molopo Energy Limited (ASX: MPO) is pleased to attach the Company's Corporate Governance Statement and ASX Appendix 4G (Key to Disclosures of Corporate Governance Principles and Recommendations). The Company has continued to adopt the 3rd Edition of the ASX Recommendations in respect of the financial year ended 31 December 2019 ("Reporting Period").

The Company's Corporate Governance Statement, ASX Appendix 4G (Key to Disclosures of Corporate Governance Principles and Recommendations) and other ancillary corporate governance related documents can also be found at the following URL on the Company's Internet website:

<http://www.molopoenergy.com/company-profile/>

This Corporate Governance Statement is accurate and up to date as at 20 April 2020 and has been approved by the Board of Molopo Energy Ltd. This Appendix 4G includes a key to where our corporate governance disclosures can be located.



Sign here:

Company Secretary

Print name: Andrew Metcalfe

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.

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 ... |
|---|--|--|---|
| PRINCIPLE 1 - LAY SOLID FOUNDATIONS FOR MANAGEMENT AND OVERSIGHT | | | |
| 1.1 | <i>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.</i> | <p>... the fact that we follow this recommendation: <input checked="" type="checkbox"/> in our Corporate Governance Statement (CGS): at Section 1.1 and 1.2 of CGS</p> <p>... 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):</p> <p><input checked="" type="checkbox"/> in the Board Charter on the website: at http://www.molopoenergy.com/company-profile/</p> | Not Applicable |
| 1.2 | <i>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.</i> | <p>... the fact that we follow this recommendation: <input checked="" type="checkbox"/> in our Corporate Governance Statement: at Section 1.3 of CGS</p> <p>... and information about the appointment process):</p> <p><input checked="" type="checkbox"/> in the Board Charter on the website: at http://www.molopoenergy.com/company-profile/</p> | Not Applicable |
| 1.3 | <i>A listed entity should have a written agreement with each director and senior executive setting out the terms of their appointment.</i> | <p>... the fact that we follow this recommendation: <input checked="" type="checkbox"/> in our Corporate Governance Statement: at Section 1.4 of CGS</p> <p>... and information about the appointment agreements):</p> <p><input checked="" type="checkbox"/> in the Board Charter on the website: at http://www.molopoenergy.com/company-profile/</p> | Not Applicable |
| 1.4 | <i>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> | <p>... the fact that we follow this recommendation: <input checked="" type="checkbox"/> in our Corporate Governance Statement: at Section 1.5 of CGS</p> <p>... and information about the Company Secretary):</p> <p><input checked="" type="checkbox"/> in the Board Charter on the website: at http://www.molopoenergy.com/company-profile/</p> | Not Applicable |

| Corporate Governance Council recommendation | We have followed the recommendation in full for the whole of the period above. We have disclosed ... | We have <u>NOT</u> followed the recommendation in full for the whole of the period above. We have disclosed ... | |
|---|---|---|----------------|
| PRINCIPLE 1 – LAY SOLID FOUNDATIONS FOR MANAGEMENT AND OVERSIGHT (continued) | | | |
| 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 checked="" type="checkbox"/> in our Corporate Governance Statement at Section 1.6 of CGS</p> <p>... and a copy of our diversity policy):</p> <p><input checked="" type="checkbox"/> on the website: at http://www.molopoenergy.com/company-profile/</p> <p>... 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 checked="" type="checkbox"/> in our Corporate Governance Statement: at Section 1.6 of CGS</p> <p>... and the information referred to in paragraphs (c)(1)</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement: at Section 1.6 of CGS</p> | Not applicable |
| 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: at Section 1.7 of CGS</p> <p>... and the information referred to in paragraph (b):</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement: at Section 1.7 of CGS</p> | Not applicable |
| 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: at Section 1.7 of CGS</p> <p>... and the information referred to in paragraph (b):</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement: at Section 1.7 of CGS</p> | Not applicable |

| Corporate Governance Council recommendation | We have followed the recommendation in full for the whole of the period above. We have disclosed ... | We have <u>NOT</u> followed the recommendation in full for the whole of the period above. We have disclosed ... |
|---|--|---|
| PRINCIPLE 2 - STRUCTURE THE BOARD TO ADD VALUE | | |
| <p>2.1 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 the Company does not have a nomination committee that complies with paragraphs (1) and (2):</p> <p><input type="checkbox"/> in our Corporate Governance Statement ... and a copy of the Committee Charter</p> <p>... and the information referred to in paragraphs (4) and (5):</p> <p><input type="checkbox"/> in our Corporate Governance Statement</p> <p>[If the entity complies with paragraph (b):]</p> <p>... Molopo does not have a nomination committee as this function is reserved for the Board who undertook responsibilities pursuant to the People & Culture Committee Charter and employed the processes to address board succession issues and 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: at Section 2.1 and 2.2 of CGS</p> | Not applicable |
| <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>... our board skills matrix:</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement: at Section 2.3 of CGS</p> | Not Applicable |
| <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>... the names of the directors considered by the board to be independent directors:</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement: at Section 2.1 and 2.6 of CGS</p> <p>... where applicable, the information referred to in paragraph (b):</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement: at Section 2.1 of CGS</p> <p>... the length of service of each director:</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement: at Sections 2.1 of CGS</p> | Not Applicable |
| <p>2.4 A majority of the board of a listed entity should be independent directors.</p> | <p>... the fact that we follow this recommendation:</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement at Section 2.1 and 2.6 of CGS</p> | Not applicable |
| <p>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.</p> | <p>... the fact that we follow this recommendation:</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement: At Section 2.1, 2.4 and 2.6 of the CGS</p> | Not applicable |
| <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 role as directors effectively.</p> | <p>... the fact that we follow this recommendation:</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement: at Sections 2.7 of CGS</p> | Not Applicable |

| Corporate Governance Council recommendation | | We have followed the recommendation in full for the whole of the period above. We have disclosed ... | We have <u>NOT</u> followed the recommendation in full for the whole of the period above. We have disclosed ... |
|---|---|--|---|
| PRINCIPLE 3 - ACT ETHICALLY AND RESPONSIBLY | | | |
| 3.1 | <i>A listed entity should:</i> (a) <i>have a code of conduct for its directors, senior executives and employees; and</i> (b) <i>disclose that code or a summary of it.</i> | ... our Code of Conduct or a summary of it: <input checked="" type="checkbox"/> in our Corporate Governance Statement: at Sections 3.1 of CGS ... and a copy of the Code of Business Conduct and Ethics Policy is on the website: at http://www.molopoenergy.com/company-profile/ | Not Applicable |
| PRINCIPLE 4 - SAFEGUARD INTEGRITY IN CORPORATE REPORTING | | | |
| 4.1 | <i>The board of a listed entity should:</i> (a) <i>have an audit committee which:</i> (1) <i>has at least three members, all of whom are non-executive director and a majority of whom are independent directors; and</i> (2) <i>is chaired by an independent director, who is not the chair of the board,</i> (3) <i>and disclose:</i> (4) <i>the charter of the committee;</i> (5) <i>the relevant qualifications and experience of the members of the committee; and</i> (6) <i>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</i> (b) <i>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.</i> | If the entity complies with paragraph (a): ... the fact that we have an audit committee that complies with paragraphs (1) and (2): <input type="checkbox"/> in our Corporate Governance Statement ... and a copy of the Committee Charter: ... and the information referred to in paragraphs (4) and (5): <input type="checkbox"/> in our Corporate Governance Statement OR If the entity complies with paragraph (b): ... Molopo does not have an Audit and Risk Committee as this function is reserved for the Board who undertook responsibilities pursuant to the Audit & Risk Committee Charter and employed the processes 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: <input checked="" type="checkbox"/> in our Corporate Governance Statement: at Section 4.1 of CGS | Not applicable |
| 4.2 | <i>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> | ... the fact that we follow this recommendation: <input checked="" type="checkbox"/> in our Corporate Governance Statement: at Sections 4.2 of CGS | Not Applicable |
| 4.3 | <i>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> | ... the fact that we follow this recommendation: <input checked="" type="checkbox"/> in our Corporate Governance Statement: at Sections 4.3 of CGS | Not Applicable |

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| Corporate Governance Council recommendation | | We have followed the recommendation in full for the whole of the period above. We have disclosed ... | We have <u>NOT</u> followed the recommendation in full for the whole of the period above. We have disclosed ... |
| 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. | ... the fact that we follow this recommendation: <input type="checkbox"/> in our Corporate Governance Statement at Sections 5.1 of CGS ... and a copy of the Continuous Disclosure and Shareholders Communication Policy is on the website: at http://www.molopoenergy.com/company-profile/ | Not Applicable |
| 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"/> on the website: at http://www.molopoenergy.com/ | Not Applicable |
| 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: at Sections 6.1 of CGS | Not Applicable |
| 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: at Sections 6.1 and 6.2 of CGS | 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: at Sections 6.1 of CGS | Not Applicable |

| Corporate Governance Council recommendation | | We have followed the recommendation in full for the whole of the period above. We have disclosed ... | We have <u>NOT</u> followed the recommendation in full for the whole of the period above. We have disclosed ... |
|--|---|---|---|
| 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; <u>OR</u></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 do not 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</p> <p>... and a copy of the charter of the committee:</p> <p>... and the information referred to in paragraphs (4) and (5):</p> <p><input type="checkbox"/> in our Corporate Governance Statement</p> <p><u>OR</u></p> <p>If the entity complies with paragraph (b):</p> <p>... Molopo does not have an Audit and Risk Committee as this function is reserved for the Board who undertook responsibilities pursuant to the Audit & Risk Committee Charter and employed the processes for overseeing the company's risk management framework:</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement: at Sections 7.1 of CGS</p> | Not applicable |
| 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 we follow this recommendation:</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement: at Section 7.1 of CGS</p> | Not applicable |
| 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; <u>OR</u></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</p> <p><u>OR</u></p> <p>If the entity complies with paragraph (b):</p> <p>... Molopo does not have an internal audit function as this function is reserved for the Board who undertook responsibilities pursuant to the Audit & Risk Committee Charter and employed the processes 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: at Section 7.3 of CGS</p> | Not applicable |
| 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: at Section 7.2 of CGS</p> | Not Applicable |

| Corporate Governance Council recommendation | We have followed the recommendation in full for the whole of the period above. We have disclosed ... | We have <u>NOT</u> followed the recommendation in full for the whole of the period above. We have disclosed ... | |
|--|---|---|----------------|
| PRINCIPLE 8 – REMUNERATE FAIRLY AND RESPONSIBLY | | | |
| 8.1 | <p><i>The board of a listed entity should:</i></p> <p>(a) <i>have a remuneration committee which:</i></p> <p>(1) <i>has at least three members, a majority of whom are independent directors; and</i></p> <p>(2) <i>is chaired by an independent director, and disclose:</i></p> <p>(3) <i>the charter of the committee;</i></p> <p>(4) <i>the members of the committee; and</i></p> <p>(5) <i>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; <u>OR</u></i></p> <p>(b) <i>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.</i></p> | <p>If the entity complies with paragraph (a):</p> <p>... the fact that we do have a remuneration committee that complies with paragraphs (1) and (2):</p> <p><input type="checkbox"/> in our Corporate Governance Statement ... and a copy of the Committee Charter:</p> <p>... and the information referred to in paragraphs (4) and (5):</p> <p><input type="checkbox"/> in our Corporate Governance Statement</p> <p>OR</p> <p>If the entity complies with paragraph (b):</p> <p>... Molopo does not have a remuneration committee as this function is reserved for the Board who undertook responsibilities pursuant to the People & Culture Committee Charter and employed the processes 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: at Section 8.1 of CGS</p> | Not applicable |
| 8.2 | <p><i>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.</i></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: at Section 8.1 of CGS</p> <p>.... and in the Audited Remuneration Report within the latest Annual Report</p> | Not Applicable |
| 8.3 | <p><i>A listed entity which has an equity-based remuneration scheme should:</i></p> <p>(a) <i>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</i></p> <p>(b) <i>disclose that policy or a summary of it.</i></p> | <p>... our policy on this issue or a summary of it:</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement: at Section 8.1 and 8.3 of CGS</p> <p>.... and in the Remuneration Report within the latest Annual Report.</p> <p>.... and on the website: at http://www.molopoenergy.com/company-profile/</p> | Not Applicable |



Corporate Governance Statement

Introduction

The Board of Directors (“Board”) is committed to maintaining high standards of corporate governance for Molopo Energy Limited and the entities it controls (“Company” or “Molopo”).

The Board supports the Corporate Governance Principles and Recommendations (3rd Edition, released in March 2014) (“ASX Recommendations”) developed by the ASX Corporate Governance Council (“Council”). The Company has continued to adopt the 3rd Edition of the ASX Recommendations in respect of the financial year ended 31 December 2019 (“Reporting Period”); the Board has elected not to early adopt the ASX Corporate Governance Council 4th edition Corporate Governance Principles and Recommendations at this time.

The Company’s practices are largely consistent and compliant with the ASX Recommendations. The Board considers that the implementation of a small number of ASX Recommendations is not appropriate, for the reasons set out below in relation to the items concerned. The Board uses its best endeavours to ensure that exceptions to the ASX Recommendations do not have a negative impact on the Company and are in the best interests of shareholders.

As required by the ASX Listing Rules, this Corporate Governance Statement (CGS) discloses the extent to which the Company has followed the ASX Recommendations during the Reporting Period, as summarised below:

| ASX Corporate Governance Principles and Recommendations | CGS Reference |
|--|---------------|
| Principle 1 – Lay solid foundations for management and oversight | 1.1 - 1.7 |
| Principle 2 – Structure the Board to add value | 2.1 - 2.14 |
| Principle 3 – Act ethically and responsibly | 3.1 |
| Principle 4 – Safeguard integrity in corporate reporting | 4.1 - 4.3 |
| Principle 5 – Make timely and balanced disclosure | 5.1 |
| Principle 6 – Respect the rights of security holders | 6.1 - 6.2 |
| Principle 7 – Recognise and manage risk | 7.1 - 7.3 |
| Principle 8 – Remunerate fairly and responsibly | 8.1 - 8.3 |

The Company has prepared an ASX Appendix 4G – Key to Disclosures of Corporate Governance Principles and Recommendations (reporting the Company’s compliance with each of the ASX Recommendations) – which has been lodged on ASX and may be viewed and downloaded from the Company’s website (details below).

The Company’s latest Annual Report (and other ASX market announcements and media releases) may be viewed and downloaded from the ASX website or the Company’s website at: <https://www.molopoenergy.com/investor-relations/>

The names of the Independent and Non-Executive Directors currently in office and their qualifications and experience are stated in the Company’s latest Annual Report.



Principle 1: Lay Solid Foundations for management and oversight

1.1 Board of Directors – Roles and Responsibilities

The Board acts on behalf of the shareholders and is therefore accountable to the shareholders. It also has obligations of a regulatory and ethical nature.

The Board plays a key role in overseeing the policies, performance and strategies of the Company and monitors the operational and financial position of the Company. The Board is also responsible for identifying areas of significant business risk and ensuring arrangements are in place to appropriately manage those risks.

The Board seeks to ensure that the Company is properly managed to protect and enhance shareholder interests, and that the Company, its Directors, officers and personnel operate in an appropriate environment of corporate governance. Accordingly, the Board has created a framework to manage the Company, including adopting relevant internal controls and corporate governance policies and practices that are appropriate for the Company's operations and designed to promote the responsible management and conduct of the Company.

The Board has established a Board Charter to outline the way its constitutional powers and responsibilities are exercised and discharged, having regard to principles of good governance, international best practise, and applicable laws. The Board reviews the Charter annually to ensure it remains current with corporate governance practice.

To ensure the effective discharge of its responsibilities, the Board has delineated key matters which are reserved for the Board's approval ("Board Reserved Authorities") and those delegated to key management personnel. In the absence of a CEO, and as permitted under the Company's Constitution, the Board has delegated limited authority to the Company Secretary for the day to day financial and operational management of the Company. In the absence of an Audit and Risk Committee or a Remuneration and Nomination Committee, the Board has retained authorities as set out in the respective Committee Charters.

For a complete list of the functions reserved to the Board and a copy of the Board Charter and Committee Charters, please refer to the Corporate Governance section of the Company's website at <https://www.molopoenergy.com/company-profile/>.

The Board governance framework as at 20 April 2020 is found in the table located at section 1.4 below.

1.2 Key Management Personnel – Role and Responsibilities

The Board has ultimate responsibility for and is accountable to shareholders for the management and performance of the Company. The Company is committed to ensuring good corporate governance practices are applied in the execution of transactions across the business. As part of this commitment it is essential that clear authority limits are defined to help ensure that material transactions are appropriately scrutinised prior to execution.

As permitted under the Company's Constitution, the Board can delegate its authority to key management personnel. The Authority Delegations Policy has been approved by the Board for this purpose.



The Company's Board Charter describes in detail the matters reserved for Board and those delegated to the Independent Non-executive Chairman, who in turn may determine the level of delegated authority for other Non-executive directors and key management personnel of the Company.

The Authority Delegations Policy does not limit the matters reserved for the Board and those delegated to the Independent Non-executive Chairman under the Board Charter, rather operates as an ancillary document to the Board Charter. The delegated authority of the appointed key management person(s) under the Board Charter is limited by and must be exercised in accordance with the Authority Delegations Policy.

To ensure the maintenance of appropriate expenditure controls in the management of the Company, the Board has established delegated authority expenditure limits for the Independent Non-executive Chairman and other key management personnel.

1.3 Board Nominations

The Board has set in place the following factors in reviewing a potential candidate for Board appointment, including without limitation:

- the skills, experience, expertise and personal qualities that will best complement Board effectiveness.
- the existing composition of the Board, and the objective of achieving a Board with Directors from a diverse background.
- the capability of the candidate to devote the necessary time and commitment to the role (this involves a consideration of matters such as other Board or executive appointments); and
- potential conflicts of interest, and independence.

The Board, in undertaking the function normally designated to the People & Culture Committee, reviews detailed background information in relation to a potential candidate and appropriate checks will be undertaken prior to appointment or before putting forward to the shareholders for election. The identification of the potential director may be assisted using an external search organisation as appropriate. An offer of a Board appointment must be made by the Chair only after having consulted with all directors.

The Company will provide shareholders with any material information in the Company's possession which is relevant to a decision on whether to elect or re-elect a director.

1.4 Terms of Appointment – Directors

All directors of the Company are required to sign a letter of appointment outlining the material terms of their appointment and the key roles based on their experience and skills. The level of remuneration for Non-Executive Directors primarily reflects the size of the operations of the Company, in addition to the experience, time commitment, level of responsibilities and complexity shouldered. The remuneration of the directors of the Company is outlined in the Audited Remuneration Report in the Company's latest Annual Report.

The Company's constitution requires that no director (who is not the Managing Director) may hold office without re-election beyond the third annual general meeting following the meeting at which the director was last elected or re-elected.



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In relation to the composition of the Board, the following information on each Board member who held a position during the Reporting Period is set out below-

| Director's Name | Position held | Appointed / Removed by shareholders | Re-Election date |
|---------------------|------------------------------------|-------------------------------------|------------------|
| Roger Corbett AO | Independent Non-executive chairman | Appointed: 31 May 2018 | 2019 |
| Anthony Hartnell AM | Independent Non-executive director | Appointed: 31 May 2018 | 2020 |
| Ralph Curton jr. | Independent Non-executive director | Appointed: 31 May 2018 | 2021 |
| William Johnson | Non-executive director | Appointed: 31 May 2018 | 2022 |

1.5 The Company Secretary

The Company Secretary is appointed by the Board and is responsible for developing and maintaining the information systems and processes that are appropriate for the Board to fulfil its role. The Company Secretary is responsible to the Board for ensuring compliance with Board procedures and governance matters and is accountable directly to the Board, through the Chairman, on all matters to do with the proper functioning of the Board.

All Directors have unfettered access to the Company Secretary. The Company Secretary is also responsible for overseeing and coordinating disclosure of information to the ASX as well as communicating with the ASX. The Company Secretary is Andrew Metcalfe, appointed on 31 May 2018, whose qualifications and experience are stated in the Company's latest Annual Report.

1.6 Diversity

The Company is committed to promoting equality and diversity in the workplace and aims to be an organisation where diversity is valued, respected, and celebrated. All decisions relating to employees will be based strictly on merit, without regard to gender, ethnicity, age, relationship status or any other irrelevant factor not applicable to the position.

The Company has established a Diversity Policy. However due to the small size of the organisation and its current stage of operations, the introduction of specific measurable objectives at this stage has not been implemented.

The Company recognises that diversity drives the Company's ability to attract, retain, motivate, and develop talent. Due to the present size and structure of the Company's operations, there are no female personnel in the Company.

1.7 Performance Review and Evaluation

The Board is responsible for the performance evaluation of the Board, individual Directors and in developing and implementing plans for identifying, assessing and enhancing Director skills and competencies. The Board



has adopted a policy for evaluating the performance of the Board and Directors.

A formal performance evaluation was not conducted on the Directors and the Company Secretary during the Reporting Period however the Board undertake informal evaluations on a continual basis. As no CEO was appointed during the Reporting Period, no performance evaluation was undertaken. The Board undertake ongoing monitoring of the CFO's position (who also acts as the company secretary).

Principle 2: Structure the board to add value

2.1 Board of Directors – Composition, Structure and Process

To ensure the Board is well equipped to discharge its responsibilities it has established guidelines for the nomination, selection, induction and ongoing professional development of Directors. These guidelines include a requirement to undertake appropriate background checks prior to the appointment of a person as a director, including but not limited to undertaking police and solvency checks, a formal induction program to enable new Directors to build their knowledge and make an effective contribution in a timely manner, and the provision of appropriate professional development opportunities for Directors to develop and maintain the skills and knowledge needed to perform their roles as Directors effectively. During the Reporting Period, the Board comprised of four Non-executive Directors of which three were considered independent Non-executive Directors, and no executive director.

| Director's Name and qualification | Position held | Term in office |
|--|------------------------------------|----------------|
| Roger Corbett AO, B. Comm, MAICD | Independent Non-executive chairman | 23 months |
| Anthony Hartnell AM, B.Ec., LLB (Hons) (ANU), LLM (Highest Hons) | Independent Non-executive director | 23 months |
| Ralph Curton jr., | Independent Non-executive director | 23 months |
| William Johnson, MA (Oxon), MBA, MAICD | Non-executive director | 23 months |

The composition of the Board is reviewed regularly by the Board to ensure that the Directors between them bring the range of skills, knowledge and experience necessary to direct the Company's operations. The Board is satisfied that the identified skills are well represented in the current Board.

2.2. People and Culture Committee

The Board has adopted a People & Culture Committee Charter. The Board, in the absence of a formally constituted People & Culture Committee, undertook the responsibilities for determining and reviewing compensation arrangements for the Directors and key management personnel and ensuring that the Board continues to operate within the established guidelines, including when necessary, selecting candidates for the position of Director. For further details regarding the procedure for the nomination, selection and appointment of new Directors and re-election of incumbents, as well as a copy of the People & Culture



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Committee Charter, please refer to the Corporate Governance section of the Company's website at <https://www.molopoenergy.com/company-profile/>.

For further details on the remuneration policy of the Company, including a description of the structure of Non-executive Directors' remuneration and key management personnel' remuneration, see the Audited Remuneration Report section of the Company's latest Annual Report.

The Company has not adopted an Employee Share Option Plan; and there is no scheme to provide retirement benefits (other than superannuation) for Directors.

2.3 Skills, Knowledge and Experience

The Board considers the present composition, size and balance in respect of qualifications and experience of the Board to be appropriate and effective for the control and direction of the Company's business. Each director is expected to bring to the Company their experience and skills in the respective fields and their considerable industry experience, to add value to the performance of the Company.

The skills, experience and expertise relevant to the position of Director held by each Director are included in the Directors' Report section of the Company's latest Annual Report.

The table below depicts the skills matrix of the Board during the Reporting Period.

| Director's Name and qualification | Skills, knowledge, experience |
|--|---|
| Roger Corbett AO, B. Comm, MAICD | Accounting & Corporate Finance, management & leadership, risk management & board governance |
| Anthony Hartnell AM, B.Ec., LLB (Hons) (ANU), LLM (Highest Hons) | Legal, management & leadership, risk management & board governance |
| Ralph Curton jr. | Accounting & Corporate Finance, Resource industry, technical oil & gas, management & leadership, risk management & board governance |
| William Johnson, MA (Oxon), MBA, MAICD | Accounting & Corporate Finance, Resource industry, technical oil & gas, management & leadership, risk management & board governance |

2.4 Chairman

The Board Chair is responsible for the leadership, operations and governance of the Board. A profile of the Chair is stated in the Company's latest Annual Report who was Chair for entire reporting period. The Board believes the Chair adds significant value given his considerable experience and skills in accounting & corporate finance, management & leadership, risk management & board governance. The Chairman chairs all Board and shareholder meetings and is considered independent.



2.5 Non-Executive Directors

The Company recognises the importance of Non-Executive Directors and the external perspective and advice that Non-Executive Directors can offer. The Company is represented by Non-Executive Directors. The Board is satisfied that the Non-Executive Directors bring an independent discretion to their deliberations. The qualifications of the Company's Non-Executive Directors are listed in Section 2.1 above, with qualifications, experience and skills listed in Section 2.3 above and stated in the Company's latest Annual Report. William Johnson was appointed to the Board as a representative nominee of a substantial shareholder of the Company, however on 18 December 2019 the Board were advised that at the request of the substantial shareholder William Johnson was no longer authorised to represent that shareholder.

2.6 Independence

The Board has adopted the following guidelines to assist in considering the independence of directors. ASX guidance on factors relevant to an assessment of independence includes equity interests, position, associations or relationships which might interfere with, or reasonably be seen to interfere with, a director's capacity to bring independent judgement to bear on issues before the Board and to act in the best interests of the entity and its security holders generally.

In the case where any of the above factors exist, the Board assesses its materiality to determine whether it might interfere, or reasonably be seen to interfere, with a Director's capacity to bring an independent judgement to bear on issues before the Board and to act in the best interests of the Company and its shareholders generally.

At the date of this Corporate Governance Statement, the Board comprise of non-executive Directors. All current serving Directors are considered independent.

The Board is consistently reminded of the independence requirement and closely adheres to such requirements. Guidelines are made available to the Board to assist in considering the independence of directors including the materiality of any given relationship on a case by case basis. In general, the Board will consider (i) a holding of 5% or more of the Company's shares to be material and (b) an affiliation with business which accounts for more than 5% of the relevant base to be material.

2.7 Induction and Professional Development

It is a policy of the Board to ensure that Directors and key management personnel of the Company are equipped with the knowledge and information they need to discharge their responsibilities effectively and that individual and collective performance is regularly and fairly reviewed.

The Company has a programme for inducting new Directors. This includes giving new Directors a full briefing about the nature of the business, current issues, the corporate strategy and the expectations of the Board concerning the performance of Directors and access to all employees to gain full background on the Company's operations. Directors are encouraged to attend director training and professional development courses, as may be required to enable them to develop and maintain the skills and knowledge needed to effectively perform their roles as Directors, at the Company's expense.

2.8 Meetings of the Board



The Board holds regular meetings, at least bi-monthly, and holds additional meetings whenever necessary to deal with specific matters requiring attention. Directors' Circulatory Resolutions are utilised where appropriate either in place of or in addition to formal Board meetings. Each member of the Board is committed to spending sufficient time to enable them to carry out their duties as a Director of the Company.

It is recognised and accepted that Board members may also concurrently serve on other boards, either in an executive or Non-executive capacity, provided that these commitments do not materially interfere with their ability to serve as a Director of the Company.

2.9 Conflicts of Interest

To ensure that Directors are always acting in the interests of the Company, Directors must:

- disclose to the Board actual or potential conflicts that may or might reasonably be thought to exist between the interests of the Director or his duties to any other parties and the interests of the Company in carrying out the activities of the Company; and
- if requested by the Board, within seven days or such further period as may be permitted, take such necessary and reasonable steps to remove any conflict of interest.

If a Director cannot or is unwilling to remove a conflict of interest then the Director must, as per the Corporations Act, absent himself from the room when Board discussion and/or voting occurs on matters to which the conflict relates (save with the approval of the remaining Directors and subject to the Corporations Act).

2.10 Related-Party Transactions

Related party transactions include any financial transaction between a Director and the Company as defined in the Corporations Act and the ASX Listing Rules. Unless there is an exemption under the Corporations Act from the requirement to obtain shareholders' approval for the related party transaction, the Board may not approve the transaction. The Company also discloses related party transactions in its Annual Report as required under the Corporations Act and relevant Accounting Standards.

2.11 Share Dealings and Disclosures

The Constitution of the Company permits Directors and Officers to acquire shares in the Company.

In accordance with the provisions of the Corporations Act and the listing Rules of the ASX, Directors must advise the Company and the ASX of any transactions they conduct in securities of the Company.

The Company has established a Dealing in Securities Policy concerning trading in the Company's securities by Directors and employees. This policy provides a brief summary of the law on insider trading and other relevant laws, sets out the restrictions on dealing in securities by people who work for or who are associated with the Company, and is intended to assist in maintaining market confidence in the integrity of dealings in the Company's securities.

The policy stipulates that the only appropriate time for a Director or employee to deal in the Company's securities is when he or she is not in possession of 'price sensitive information' that is not generally available



to the share market. A Director or key management person wishing to deal in the Company's securities may only do so after first having received approval from the Chairman.

Trading in the Company's securities is also subject to specified blackout periods, which are set out in the Company's Dealing in Securities Policy or as otherwise determined by the Board from time to time. The Company prohibits Directors and employees from entering transactions in associated products which limit the economic risk of participating in unvested entitlements under any equity-based remuneration schemes.

For a copy of the Company's Dealing in Securities Policy, please refer to the Corporate Governance section of the Company's website at <https://www.molopoenergy.com/company-profile/>.

2.12 Independent Professional Advice

Subject to prior approval by the Chairman, each Director has the right to seek independent legal and other professional advice at the Company's expense concerning any aspect of the Company's operations or undertakings to fulfil their duties and responsibilities as a Director.

2.13 Company Information and Confidentiality

All Directors have the right of access to all relevant Company books and to executive. In accordance with legal requirements and agreed ethical standards, Directors and employees of the Company have agreed to keep confidential all information received during the exercise of their duties and will not disclose non-public information except where disclosure is authorised or legally mandated.

2.14 Directors' and Officer's Deeds

The Company has entered into a Deed of Indemnity & Access with each of the Directors and the Company Secretary to regulate certain matters between the Company and each officer, both during the time the officer holds office and after the officer ceases to be an officer of the Company for up to seven years

Principle 3: Promote ethical and responsible decision-making

3.1 Code of Business Conduct & Ethics Policy

The Board has set in place a Code of Business Conduct & Ethics Policy which is designed to provide a benchmark for professional behaviour and conduct business throughout the Company; support the Company's business reputation and corporate image within the community; and make Directors and employees aware of the consequences if they breach the policy. It includes legal compliance and guidelines on appropriate ethical standards. The Code of Business Conduct & Ethics Policy is applicable to all persons associated with the Company including contractors, consultants, agents, and Company directors. It also applies to all business activities with suppliers, contractors, customers, shareholders, and employees in Australia and overseas and covers the following obligations:

- Compliance with laws and regulations
- Integrity in all dealings with customers, shareholders, government, employees, suppliers, and community in order to enhance the Company's reputation and performance
- Conflict of interest arising from any personal interest or relationship
- Confidentiality of information that belongs to the Company



- Improper use or theft of Company property, assets, and email
- Compliance with the Privacy laws of Australia and other applicable jurisdictions
- Ensuring integrity and exercise highest standard of care in providing information in any public communications and disclosure
- Employment practices including occupational, health and safety, securities trading, anti-bribery conduct
- Contribution to the community, environmental responsibilities, and Company's policy on political activities

For a copy of the Code of Business Conduct & Ethics Policy please refer to the Corporate Governance section of the Company's website at <https://www.molopoenergy.com/company-profile/>.

Principle 4: Safeguard integrity in financial reporting

4.1 Audit and Risk Committee

The Board has adopted an Audit and Risk Committee Charter. The functions of the Audit & Risk Committee are managed by the Board and the Board follow the Committee Charter in carrying out its functions; with the re-establishment of an Audit and Risk Committee reviewed on an on-going basis.

To ensure that the Board can discharge the responsibilities under the Audit & Risk Committee Charter, most members of the Board have legal and financial expertise to safeguard the integrity of financial reporting in the Company.

The Board undertook the responsibility to ensure that an effective internal control framework exists within the entity. This includes internal controls to deal with both the effectiveness and efficiency of significant business processes such as the safeguarding of assets, the maintenance of proper accounting records and the reliability of financial information, as well as non-financial considerations including the benchmarking of operational key performance indicators. The Board, adopting the function of the Audit and Risk Committee Charter, is also responsible for the nomination of the external auditor and reviewing the adequacy of the scope and quality of the annual statutory audit and half year audit review.

In assessing the independence of the external auditor, the external auditor is required to provide:

- a report which sets out all relationships that may affect its independence, including the provision of non-audit services, financial relationships, employment and other relationships and any other matters that may reasonably be thought to have bearing on the external auditor's independence. The report should outline any safeguards that the external auditor has in place to reduce any threat to independence to an acceptable level.
- a declaration on a half yearly and annually basis, testifying to its independence in respect of the financial period in question. Further, the external auditor will have continuing obligation to notify the committee, via the Company Secretary, of any new information it believes may be material to reviewing independence.



For further details regarding the procedures for selection, appointment and rotation of external audit partners, as well as a copy of the Audit and Risk Committee Charter, please refer to the Corporate Governance section of the Company's website at <https://www.molopoenergy.com/company-profile/>.

4.2 Declaration from CEO and CFO

As there is no CEO during the Reporting Period, the Board determined that the Company Secretary/CFO was the appropriate person to make the declaration as required under section 295A of the Corporations Act and as per the ASX Recommendations.

These declarations state that, in the opinion of the Company Secretary/CFO, the financial records of the Company 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 Company and that the opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively. The Board received, prior to their approval of the Company's financial statements for a financial period (i.e. the half year and full year financial reports), written assurances from the Company Secretary/CFO.

4.3 External Auditor

The Company's external auditor (Auditor) is selected for its professional competence, reputation, and the provision of value for professional fees. Within the audit firm, the partner responsible for the conduct of the Company's audits is rotated every 5 years. The external Auditor attends the Company's AGM's (in person or by teleconference) and is available to answer shareholder questions about the conduct of the audit and the preparation and content of the Auditor's Report.

Principle 5: Make Timely and Balanced Disclosure

5.1 Continuous Disclosure to ASX

Pursuant to the Corporations Act and ASX Listing Rule 3.1, the Company has a regulatory obligation to immediately notify ASX of information concerning the Company that a reasonable person would expect to have a material effect on the price or value of the Company's securities, subject to exceptions permitted by that rule. A reasonable person is taken to expect information to have a material effect on the price or value of the Company's securities if the information would, or would be likely to, influence persons who commonly invest in securities in deciding whether to acquire or dispose of the Company's securities.

The Board has nominated the Company Secretary as the person with the primary responsibility for all communication with the ASX in relation to listing rule matters. The Board is responsible for compliance with the Company's continuous disclosure obligations.

If management becomes aware of any information at any time that should be considered for release to the market, it must be reported immediately to a member of the Board. Only material information requires disclosure and the Board will determine the materiality of such information in accordance with the guidelines and requirements of the ASX.



In general, the Company will not respond to market speculation or rumours unless required to do so by law or by the ASX Listing Rules.

The Company may request a trading halt from ASX to maintain fair, orderly, and informed trading in its securities and to manage disclosure issues. The Chairman or Company Secretary are authorised to call a trading halt and to keep the Board informed of any request for a trading halt.

For a copy of the Continuous Disclosure Policy, please refer to the Corporate Governance section of the Company's website at <https://www.molopoenergy.com/company-profile/>

Principle 6: Respect the right of shareholders

6.1 Market and Shareholder Communication

The Company aims to ensure that shareholders are kept informed of all major developments affecting the Company. Additionally, the Company recognises that potential investors and other interested stakeholders may wish to obtain information about the Company from time to time. The Company also has in place an investor relations program to facilitate communication with investors.

One of the Company's key communication tools is its website located at <https://www.molopoenergy.com/> which publishes all up-to-date important information about the Company.

Information is communicated to shareholders and other stakeholders regularly through a range of forums and publications, including the following:

- Notice of meetings and explanatory material are available on the Company's website. The Company encourages shareholders to provide email addresses so that notices of meetings and explanatory material can be sent to shareholders via email.
- The Company encourage full participation of shareholders at its AGM each year. For those shareholders who are unable to attend in person, the Company provides full transcript of the Chairman's speech on its website. Shareholders are encouraged to lodge direct votes or proxies electronically.
- The Company's annual report is available on the Company's website and contains important information about the Company's activities and results for the previous financial year. Shareholders can elect to receive the Company's annual report on concise report as an electronic copy or in hard copy through mail.
- All ASX announcements including quarterly reports, annual and half yearly financial results, are posted on the Company's website as soon as they have been released by ASX. The Company's reports and ASX announcements may also be viewed and downloaded the ASX website: www.asx.com.au under the Company's ASX code "MPO".
- Copies of all media releases and investor presentations made to analysts and media briefing are posted on the Company's website, and where appropriate the Company uses webcasting or teleconferencing of these presentations and briefings.
- Company provides a telephone helpline facility to assist shareholders with investor relations



queries.

The ownership of securities and other shareholder information is held by the Company's share registry agent, Computershare Registry Services Ltd, at <https://www-au.computershare.com/investor/>

6.2 Shareholders' Meetings

Shareholders can communicate with Directors through various means, including:

- having the opportunity to ask questions of Directors at all general meetings.
- the presence of the Auditor at the AGM (in person or by teleconference, as practicable and appropriate) to take shareholder questions on any issue relevant to their capacity as Auditor.
- the Company's policy of expecting Directors to be available to meet shareholders at the AGM; and
- the Company making Directors and selected key management personnel available to answer shareholder questions submitted by telephone, email, and other means (where appropriate).

Traditionally, the key forum for two-way communication between the Company and its shareholders is its AGM. The Board encourages shareholder participation at the Company's AGM and other general meetings of shareholders and the Chairman encourages questions and comments from shareholders and seeks to ensure that shareholders are given ample opportunity to participate. Shareholders who are unable to attend the AGM or a general meeting may submit questions and comments before the meeting to the Company and or to the Auditor (in the case of the AGM).

Principle 7: Recognise and Manage Risk

7.1 Risk Committee

During the Reporting Period and to the date of this Corporate Governance Statement, the Board agreed that the functions of the Audit & Risk Committee would be best managed by the Board, and that the Board would follow the Audit & Risk Committee Charter in carrying out its functions; with the re-establishment of a Committee reviewed on an on-going basis.

To ensure that the Board can discharge the responsibilities under the Audit & Risk Committee Charter effectively, most members of the Board have legal and financial expertise.

The Company's Board oversees the Company's risk management and compliance function, with key responsibilities being to ensure that an appropriate risk management framework is in place and is operating properly and reviewing and monitoring legal and policy compliance systems and issues.

During the Reporting Period, the Board continuously reviewed the Company's risk management framework, and in particular the Company's Authority Delegations Policy, and where necessary implemented improvements to the structure and procedures to satisfy itself that the Company's risk management framework continues to be sound.



7.2 Internal Control and Risk Management

The Board has the responsibility to oversee the internal control framework (which includes risk management) and manage the Company's process and policies of identification and management of risks that have the potential to impact significantly on operations, financial performance, or reputation.

The Board also has primary responsibility to ensure that the Company presents and publishes financial accounts which present a true and fair view of its results and financial position and that the accounting methods adopted are appropriate to the Company and consistently applied in accordance with relevant accounting standards and the applicable laws.

Due to the size of the Company and its current level of activity and operations, the Company does not have a formal internal audit function. Periodically, internal reviews of the Company's financial systems, documents and processes are undertaken and any recommendation for improvement reported to the Board as part of the Company's risk management processes.

The Company is committed to the management of risks throughout its operations to protect all its stakeholders. Risk management is carried out through the Board, in the absence of an Audit and Risk Committee, and the processes and procedures mentioned above.

The Board, in the absence of an Audit and Risk Committee, reviews the risk management framework at least annually, and throughout the Reporting Period, the Board reviewed risk and the application of the risk framework on an ongoing basis both within formal board meetings and outside meetings in informal review sessions. The Board believe that given the nature and scale of the Company that process was the most appropriate and most robust means of monitoring and managing risk for the Company.

The Board has formed the view that the Company does not currently have any material exposure to economic, environmental, or social sustainability risks, other than ongoing risks associated with the ongoing development of its technology product and other activities.

The Company's approach to risk management is not stationary; it evolves constantly in response to developments in operations and changing market conditions.

7.3 Internal Audit

The Company does not have an independent internal audit function. Due to the nature and size of the Company's operations, and the Company's ability to derive substantially all the benefits of an independent internal audit function in the manner disclosed below, the expense of an independent internal auditor is not considered to be appropriate.

- The Board, in the absence of an Audit and Risk Committee, performs all key elements of an internal audit function, including:
- Evaluating the adequacy and effectiveness of the management reporting and control systems used to monitor adherence to policies and guidelines and limits approved by the Board for management of balance sheet risks.
- Evaluating the adequacy and effectiveness of the Company's financial and operational risk management control systems by reviewing risk registers and reports from management and external auditors.



- Evaluating the structure and adequacy of the Company's Business Continuity Plans.
- Evaluating the structure and adequacy of the Company's own insurances on an annual basis.
- Reviewing and making recommendations on the strategic direction, objectives, and effectiveness of the Company's financial and operational risk management policies.
- Overseeing the establishment and maintenance of processes to ensure that there is:
 - an adequate system of internal control, management of business risks and safeguard of assets.
 - a review of internal control systems and the operational effectiveness of the policies and procedures related to risk and control; and
 - a review, at least annually, of the Company's risk management framework.
- Evaluating the Company's exposure to fraud and overseeing investigations of allegations of fraud or malfeasance.
- Reviewing the Company's main corporate governance practices for completeness and accuracy.
- Review of procedures the Company has in place to ensure compliance with laws and regulations (particularly those which have a major potential impact on the Company in areas such as trade practices, occupational health and safety, and the environment).
- Evaluate any material exposure the Company has to economic, environmental, and social sustainability risks and, if necessary, consider management of those risks.
- Reviewing the procedures in place to ensure compliance with insider trading laws, continuous disclosure requirements and other best practice corporate governance processes (including requirements under the ASX Listing Rules, Corporations Act, and international financial reporting standards); and
- Advising the Board on the appropriateness of significant policies and procedures relating to financial processes and disclosures and reviewing the effectiveness of the Company's internal control framework.

Principle 8: Remunerate Fairly and Responsibly

8.1. People and Culture Committee

The Board, in the absence of a People & Culture Committee, is responsible for determining and reviewing remuneration arrangements for its directors and key management personnel. The performance of the Company depends on the quality of its directors and key management personnel. Please refer to section 2.2 for information on the People & Culture Committee.

8.2. Remuneration Policy

Fees and payments to Non-executive directors reflect the demands and responsibilities of their role. Non-executive directors' fees and payments are reviewed annually by the Board. The Board may, from time to time, receive advice from independent remuneration consultants to ensure Non-executive directors' fees and payments are appropriate and in line with the market. The chairman's fees are determined independently to the fees of other Non-executive directors based on comparative roles in the external market. The chairman is not present at any discussions relating to the determination of his own remuneration. Non-executive directors do not receive share options or other incentives.



Fixed remuneration, consisting of base salary and superannuation, is reviewed annually by the Board based on individual and business unit performance, the overall performance of the consolidated entity and comparable market remunerations

No short-term incentives ('STI') or long-term incentives ('LTI') programs were established for key management personnel remuneration in the reporting period as all remuneration was fixed and consisted of base salary and superannuation.

8.3. Equity Based Remuneration Scheme

The Company does not have an Employee Share Option Plan ("Long Term Incentive Plan" (LTIP)).

The Company complies with Recommendation 8.3 as Non-Executive Directors are not entitled to participate in any Company incentive scheme.