



**ASX Announcement  
For Immediate Release**

28 February 2020

**Appendix 4G and Corporate Governance Statement**

Please find attached the Appendix 4G and Corporate Governance Statement for the year ended 31 December 2019.

This ASX announcement was authorised for release by the Australis Disclosure Committee.

For further information, please contact either:

Graham Dowland  
Finance Director  
Australis Oil & Gas Limited  
+61 8 9220 8700

Julie Foster  
Company Secretary  
Australis Oil & Gas Limited  
+61 8 9220 8700

**AUSTRALIS OIL & GAS LIMITED**

ABN 34 609 262 937

Level 29, 77 St. George's Terrace, Perth WA 6000, Australia • GPO Box 2548, Perth WA 6831

T +61 (8) 9220 8700 • F +61 (8) 9220 8799

[www.australisoil.com](http://www.australisoil.com)

## Appendix 4G

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

Introduced 01/07/14 Amended 02/11/15

**Name of entity**

Australis Oil & Gas Limited

**ABN / ARBN**

34 609 262 937

**Financial year ended:**

31 December 2019

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

This URL on our website: [www.australisoil.com](http://www.australisoil.com)

The Corporate Governance Statement is accurate and up to date as at 24 February 2020 and has been approved by the board.

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

Date: 28 February 2020

Name of Director or Secretary authorising lodgement: Julie Foster, Company Secretary

---

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

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

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

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

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

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

## ANNEXURE – KEY TO CORPORATE GOVERNANCE DISCLOSURES

Corporate Governance Council recommendation		We have followed the recommendation in full for the whole of the period above. We have disclosed ...	We have NOT followed the recommendation in full for the whole of the period above. We have disclosed ... <sup>4</sup>
<b>PRINCIPLE 1 – LAY SOLID FOUNDATIONS FOR MANAGEMENT AND OVERSIGHT</b>			
1.1	A listed entity should disclose: (a) the respective roles and responsibilities of its board and management; and (b) those matters expressly reserved to the board and those delegated to management.	... the fact that we follow this recommendation: <input checked="" type="checkbox"/> in our Board Charter, which can be found on the Australis website in the corporate governance section ... and information about the respective roles and responsibilities of our board and management (including those matters expressly reserved to the board and those delegated to management): <input checked="" type="checkbox"/> in our Board Charter, which can be found on the Australis website in the corporate governance section	<input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement <b>OR</b> <input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable
1.2	A listed entity should: (a) undertake appropriate checks before appointing a person, or putting forward to security holders a candidate for election, as a director; and (b) provide security holders with all material information in its possession relevant to a decision on whether or not to elect or re-elect a director.	... the fact that we follow this recommendation: <input checked="" type="checkbox"/> in our Corporate Governance Statement	<input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement <b>OR</b> <input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable
1.3	A listed entity should have a written agreement with each director and senior executive setting out the terms of their appointment.	... the fact that we follow this recommendation: <input checked="" type="checkbox"/> in our Corporate Governance Statement	<input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement <b>OR</b> <input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable
1.4	The company secretary of a listed entity should be accountable directly to the board, through the chair, on all matters to do with the proper functioning of the board.	... the fact that we follow this recommendation: <input checked="" type="checkbox"/> in our Board Charter, which can be found on the Australis website in the corporate governance section	<input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement <b>OR</b> <input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable

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

## Key to Disclosures Corporate Governance Council Principles and Recommendations

Corporate Governance Council recommendation		We have followed the recommendation in full for the whole of the period above. We have disclosed ...	We have NOT followed the recommendation in full for the whole of the period above. We have disclosed ... <sup>4</sup>
1.5	<p>A listed entity should:</p> <p>(a) have a diversity policy which includes requirements for the board or a relevant committee of the board to set measurable objectives for achieving gender diversity and to assess annually both the objectives and the entity's progress in achieving them;</p> <p>(b) disclose that policy or a summary of it; and</p> <p>(c) disclose as at the end of each reporting period the measurable objectives for achieving gender diversity set by the board or a relevant committee of the board in accordance with the entity's diversity policy and its progress towards achieving them and either:</p> <p>(1) the respective proportions of men and women on the board, in senior executive positions and across the whole organisation (including how the entity has defined "senior executive" for these purposes); or</p> <p>(2) if the entity is a "relevant employer" under the Workplace Gender Equality Act, the entity's most recent "Gender Equality Indicators", as defined in and published under that Act.</p>	<p>... the fact that we have a diversity policy that complies with paragraph (a):</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement</p> <p>... and a copy of our diversity policy or a summary of it:</p> <p><input checked="" type="checkbox"/> can be found on the Australis website www.australisoil.com in the corporate governance section</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 checked="" type="checkbox"/> in our Corporate Governance Statement <b>OR</b></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 checked="" type="checkbox"/> in our Corporate Governance Statement</p>	<p><input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement</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</p> <p>... and the information referred to in paragraph (b):</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement</p>	<p><input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement <b>OR</b></p> <p><input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable</p>
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</p> <p>... and the information referred to in paragraph (b):</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement</p>	<p><input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement <b>OR</b></p> <p><input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable</p>

## Key to Disclosures Corporate Governance Council Principles and Recommendations

Corporate Governance Council recommendation	We have followed the recommendation in full for the whole of the period above. We have disclosed ...	We have NOT followed the recommendation in full for the whole of the period above. We have disclosed ... <sup>4</sup>	
<b>PRINCIPLE 2 - STRUCTURE THE BOARD TO ADD VALUE</b>			
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 checked="" type="checkbox"/> in our Corporate Governance Statement</p> <p>... and a copy of the charter of the committee:</p> <p><input checked="" type="checkbox"/> can be found on the Australis website <a href="http://www.australisoil.com">www.australisoil.com</a> in the corporate governance section</p> <p>... and the information referred to in paragraphs (4) and (5):</p> <p><input checked="" type="checkbox"/> in our Directors' Report of our 2019 Annual Report</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 <b>OR</b></p> <p><input type="checkbox"/> at <i>[insert location]</i></p>	<p><input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement <b>OR</b></p> <p><input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable</p>
2.2	<p>A listed entity should have and disclose a board skills matrix setting out the mix of skills and diversity that the board currently has or is looking to achieve in its membership.</p>	<p>... our board skills matrix:</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement</p>	<p><input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement <b>OR</b></p> <p><input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable</p>
2.3	<p>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</p> <p>... and, where applicable, the information referred to in paragraph (b):</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement</p> <p>... and the length of service of each director:</p> <p><input checked="" type="checkbox"/> in our Directors' Report of our 2019 Annual Report</p>	<p><input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement</p>

## Key to Disclosures Corporate Governance Council Principles and Recommendations

Corporate Governance Council recommendation		We have followed the recommendation in full for the whole of the period above. We have disclosed ...	We have NOT followed the recommendation in full for the whole of the period above. We have disclosed ... <sup>4</sup>
2.4	A majority of the board of a listed entity should be independent directors.	... the fact that we follow this recommendation: <input type="checkbox"/> in our Corporate Governance Statement <b>OR</b> <input type="checkbox"/> at [insert location]	<input checked="" type="checkbox"/> an explanation why that is so in our Corporate Governance Statement <b>OR</b> <input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable
2.5	The chair of the board of a listed entity should be an independent director and, in particular, should not be the same person as the CEO of the entity.	... the fact that we follow this recommendation: <input type="checkbox"/> in our Corporate Governance Statement <b>OR</b> <input type="checkbox"/> at [insert location]	<input checked="" type="checkbox"/> an explanation why that is so in our Corporate Governance Statement <b>OR</b> <input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable
2.6	A listed entity should have a program for inducting new directors and provide appropriate professional development opportunities for directors to develop and maintain the skills and knowledge needed to perform their role as directors effectively.	... the fact that we follow this recommendation: <input checked="" type="checkbox"/> in our Corporate Governance Statement <b>OR</b> <input type="checkbox"/> at [insert location]	<input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement <b>OR</b> <input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable
<b>PRINCIPLE 3 – ACT ETHICALLY AND RESPONSIBLY</b>			
3.1	A listed entity should: (a) have a code of conduct for its directors, senior executives and employees; and (b) disclose that code or a summary of it.	... our code of conduct: <input checked="" type="checkbox"/> can be found on our website <a href="http://www.australisoil.com">www.australisoil.com</a> in the corporate governance section	<input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement

## Key to Disclosures Corporate Governance Council Principles and Recommendations

Corporate Governance Council recommendation	We have followed the recommendation in full for the whole of the period above. We have disclosed ...	We have NOT followed the recommendation in full for the whole of the period above. We have disclosed ... <sup>4</sup>	
<b>PRINCIPLE 4 – SAFEGUARD INTEGRITY IN CORPORATE REPORTING</b>			
4.1	<p>The board of a listed entity should:</p> <p>(a) have an audit committee which:</p> <p>(1) has at least three members, all of whom are non-executive directors and a majority of whom are independent directors; and</p> <p>(2) is chaired by an independent director, who is not the chair of the board,</p> <p>and disclose:</p> <p>(3) the charter of the committee;</p> <p>(4) the relevant qualifications and experience of the members of the committee; and</p> <p>(5) in relation to each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or</p> <p>(b) if it does not have an audit committee, disclose that fact and the processes it employs that independently verify and safeguard the integrity of its corporate reporting, including the processes for the appointment and removal of the external auditor and the rotation of the audit engagement partner.</p>	<p>[If the entity complies with paragraph (a):]</p> <p>... the fact that we have an audit committee that complies with paragraphs (1) and (2):</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement</p> <p>... and a copy of the charter of the committee:</p> <p><input checked="" type="checkbox"/> on our website <a href="http://www.australisoil.com">www.australisoil.com</a> in the corporate governance section</p> <p>... and the information referred to in paragraphs (4) and (5):</p> <p><input checked="" type="checkbox"/> in our Directors Report of our 2019 Annual Report</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</p>	<p><input 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</p>	<p><input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement</p>
4.3	<p>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.</p>	<p>... the fact that we follow this recommendation:</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement</p>	<p><input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement <b>OR</b></p> <p><input type="checkbox"/> we are an externally managed entity that does not hold an annual general meeting and this recommendation is therefore not applicable</p>

## Key to Disclosures Corporate Governance Council Principles and Recommendations

Corporate Governance Council recommendation		We have followed the recommendation in full for the whole of the period above. We have disclosed ...	We have NOT followed the recommendation in full for the whole of the period above. We have disclosed ... <sup>4</sup>
<b>PRINCIPLE 5 – MAKE TIMELY AND BALANCED DISCLOSURE</b>			
5.1	A listed entity should: (a) have a written policy for complying with its continuous disclosure obligations under the Listing Rules; and (b) disclose that policy or a summary of it.	... our continuous disclosure compliance policy: <input checked="" type="checkbox"/> can be found on our website <a href="http://www.australisoil.com">www.australisoil.com</a> in the corporate governance section	<input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement
<b>PRINCIPLE 6 – RESPECT THE RIGHTS OF SECURITY HOLDERS</b>			
6.1	A listed entity should provide information about itself and its governance to investors via its website.	... information about us and our governance on our website: <input checked="" type="checkbox"/> can be found at <a href="http://www.australisoil.com">www.australisoil.com</a> in the corporate governance section	<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	<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"/> on our website <a href="http://www.australisoil.com">www.australisoil.com</a> in the corporate governance section (Stakeholder Communications Policy)	<input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement <b>OR</b> <input type="checkbox"/> we are an externally managed entity that does not hold periodic meetings of security holders and this recommendation is therefore not applicable
6.4	A listed entity should give security holders the option to receive communications from, and send communications to, the entity and its security registry electronically.	... the fact that we follow this recommendation: <input checked="" type="checkbox"/> in our Corporate Governance Statement	<input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement

## Key to Disclosures Corporate Governance Council Principles and Recommendations

Corporate Governance Council recommendation	We have followed the recommendation in full for the whole of the period above. We have disclosed ...	We have NOT followed the recommendation in full for the whole of the period above. We have disclosed ... <sup>4</sup>	
<b>PRINCIPLE 7 – RECOGNISE AND MANAGE RISK</b>			
7.1	<p>The board of a listed entity should:</p> <p>(a) have a committee or committees to oversee risk, each of which:</p> <p>(1) has at least three members, a majority of whom are independent directors; and</p> <p>(2) is chaired by an independent director, and disclose:</p> <p>(3) the charter of the committee;</p> <p>(4) the members of the committee; and</p> <p>(5) as at the end of each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or</p> <p>(b) if it does not have a risk committee or committees that satisfy (a) above, disclose that fact and the processes it employs for overseeing the entity's risk management framework.</p>	<p>[If the entity complies with paragraph (a):]</p> <p>... the fact that we have a committee or committees to oversee risk that comply with paragraphs (1) and (2):</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement</p> <p>... and a copy of the charter of the committee:</p> <p><input checked="" type="checkbox"/> can be found on our website <a href="http://www.australisoil.com">www.australisoil.com</a> in the corporate governance section]</p> <p>... and the information referred to in paragraphs (4) and (5):</p> <p><input checked="" type="checkbox"/> in our Directors Report of our 2019 Annual Report</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</p>	<p><input 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</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</p>	<p><input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement</p>

## Key to Disclosures Corporate Governance Council Principles and Recommendations

Corporate Governance Council recommendation		We have followed the recommendation in full for the whole of the period above. We have disclosed ...	We have NOT followed the recommendation in full for the whole of the period above. We have disclosed ... <sup>4</sup>
7.3	A listed entity should disclose: (a) if it has an internal audit function, how the function is structured and what role it performs; or (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.	[If the entity complies with paragraph (a):] ... how our internal audit function is structured and what role it performs: <input type="checkbox"/> in our Corporate Governance Statement [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: <input checked="" type="checkbox"/> in our Corporate Governance Statement	<input checked="" type="checkbox"/> an explanation why that is so in our Corporate Governance Statement
7.4	A listed entity should disclose whether it has any material exposure to economic, environmental and social sustainability risks and, if it does, how it manages or intends to manage those risks.	... 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: <input checked="" type="checkbox"/> can be found in the Financial & Corporate Review of our 2019 Annual Report	<input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement

## Key to Disclosures Corporate Governance Council Principles and Recommendations

Corporate Governance Council recommendation	We have followed the recommendation in full for the whole of the period above. We have disclosed ...	We have NOT followed the recommendation in full for the whole of the period above. We have disclosed ... <sup>4</sup>	
<b>PRINCIPLE 8 – REMUNERATE FAIRLY AND RESPONSIBLY</b>			
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 checked="" type="checkbox"/> in our Corporate Governance Statement</p> <p>... and a copy of the charter of the committee:</p> <p><input checked="" type="checkbox"/> can be found at our website <a href="http://www.australisoil.com">www.australisoil.com</a> in the corporate governance section</p> <p>... and the information referred to in paragraphs (4) and (5):</p> <p><input checked="" type="checkbox"/> in our Directors Report of our 2019 Annual Report</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</p>	<p><input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement <b>OR</b></p> <p><input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable</p>
8.2	<p>A listed entity should separately disclose its policies and practices regarding the remuneration of non-executive directors and the remuneration of executive directors and other senior executives.</p>	<p>... separately our remuneration policies and practices regarding the remuneration of non-executive directors and the remuneration of executive directors and other senior executives:</p> <p><input checked="" type="checkbox"/> in our Remuneration Report of our 2019 Annual Report</p>	<p><input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement <b>OR</b></p> <p><input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable</p>
8.3	<p>A listed entity which has an equity-based remuneration scheme should:</p> <p>(a) have a policy on whether participants are permitted to enter into transactions (whether through the use of derivatives or otherwise) which limit the economic risk of participating in the scheme; and</p> <p>(b) disclose that policy or a summary of it.</p>	<p>... our policy on this issue or a summary of it:</p> <p><input checked="" type="checkbox"/> can be found on our website <a href="http://www.australisoil.com">www.australisoil.com</a> in the corporate governance section</p>	<p><input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement <b>OR</b></p> <p><input type="checkbox"/> we do not have an equity-based remuneration scheme and this recommendation is therefore not applicable <b>OR</b></p> <p><input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable</p>

# Corporate Governance Statement

\_\_\_\_\_ For the year ended 31 December 2019

# Corporate Governance Statement

The Board of Australis Oil & Gas Limited (“**Australis**” or “**Company**”) monitors the operational and financial performance of the Company and oversees its business strategy, including approving the strategic goals of the Company. The Board is committed to maximising performance and generating Shareholder value. In conducting business with these objectives, the Board aims to ensure Australis is properly managed to protect and enhance Shareholder interests, and the Company, its Directors, officers and employees operate in an appropriate environment of corporate governance. Accordingly, the Board has created a framework for managing Australis, including the adoption of relevant internal controls, risk management processes and corporate governance policies and practices which it believes are appropriate for Australis’ business and which are designed to promote the responsible management and conduct of the Company. Australis reviews and amends its corporate governance policies as appropriate to reflect the growth of the Company, current legislation and good practice. The main charters, policies and procedures that form the basis of corporate governance practices at Australis, and which are referred to in this Statement, can be found in the corporate governance section of Australis’s website, [www.australisoil.com](http://www.australisoil.com).

Below is a statement disclosing the extent to which the Company follows the Principles and Recommendations as set out in the ASX Corporate Governance Principles and Recommendations Third Edition. The ASX principles and recommendations are identified below in bold with corresponding statements of compliance. This statement covers the period 1 January 2019 to 31 December 2019 (“**Disclosure Period**”), is current as at 24 February 2020 and has been approved by the Board.

Where the Company’s corporate governance practices follow a recommendation during the Disclosure Period, the Board has made appropriate statements reporting on the adoption of the recommendation. Where, after due consideration, the Company’s corporate governance practices depart from a recommendation during the Disclosure Period, the Board has offered disclosure and reason for the adoption of its own practice, in compliance with the “if not, why not” regime.

During 2019 the Board and Management of Australis reviewed and, where applicable, adopted the recommendations required to transition to the Fourth Edition of the ASX Corporate Governance Principles and Recommendations and will commence reporting under the Fourth Edition for the year ended 31 December 2020.

## **PRINCIPLE 1: Lay Solid Foundations for Management and Oversight**

### **1.1 Board Role & Responsibilities**

**Complied**

The respective roles and responsibilities of Board and management are outlined within clauses 1, 2.1, 3.1, 3.4 and 3.5 of the Company’s Board Charter, which is available on the Company’s website, [www.australisoil.com](http://www.australisoil.com). The Charter also outlines which matters are expressly reserved to the Board and those delegated to management.

### **1.2 Director Appointments**

**Complied**

The Company’s Remuneration and Nomination Committee Charter outlines the procedures undertaken when appointing a director or proposing a new director for election. Prior to the appointment of a director or the proposal of a new director for appointment, relevant background checks including but not limited to employment, education and police checks are undertaken. The Company utilises third party advisors to undertake the checks. To assist the Company’s shareholders in making an informed decision about whether to vote in favour of a director standing for election or re-election, the notice of meeting for the annual meeting contains the candidate’s biographical details. These include a career summary; a list of other directorships and material outside interests; the date of their first appointment to the Board; and a statement as to whether the Board considers the director to be independent and supports her or his election or re-election. The Remuneration and Nomination Committee Charter is available via the Company’s website.

### **1.3 Term of Appointment**

**Complied**

Each director is provided with a formal letter of appointment to the Board setting out the key terms and conditions of their appointment.

Senior executives are employed under written contracts, of which the key terms and conditions for key management personnel are outlined in the Company’s 2019 Remuneration Report contained in the Annual Report available on the ASX or via the Company’s website. The hire of senior executives is approved by the CEO.

### **1.4 Company Secretary**

**Complied**

The Board is responsible for the appointment or replacement of the Company Secretary

The Company Secretary is accountable directly to the Board, through the Chairman, on all matters to do with the proper functioning of the Board.

## 1.5 Diversity

**Complied**

The Board has adopted a diversity policy which aims to augment the Company's performance by recognising and utilising the contribution of diverse skills and talent whilst fostering an environment of inclusion where individuals are respected and valued. The Board believes the adoption of an efficient diversity policy has the effect of broadening the employee recruitment pool, supporting employee retention, incorporating different perspectives and is socially and economically responsible governance practice. The Diversity Policy is available via the Company's website.

The Company employs new employees and promotes current employees on the basis of performance, ability and attitude. The Board is continually reviewing its practices with a focus on ensuring that the selection process at all levels within the organisation is formal and transparent and that the workplace environment is open, fair and tolerant.

During the Disclosure Period the Board set specific measurable objectives for achieving gender diversity to increase the appointment of women in the Company as a whole. A target of 30% female composition of the Australis workforce has been established and at the date of this report the Company continued to meet this target.

The respective proportion of women at Board, senior executive and company-wide level as at 31 December 2019 are set out below.

Name	2019 Proportion of Women	2018 Proportion of Women	2017 Proportion of Women
Whole Company	15 out of 45 (33%)	19 out of 50 (38%)	10 out of 34 (29%)
Senior Executives (Vice President and above)	1 out of 6 (17%)	1 out of 6 (17%)	1 out of 6 (17%)
Directors	0 out of 5	0 out of 5	0 out of 5

Whilst the Company continues to review its Human Resource Policies to ensure they are consistent with the achievement of the gender measurable objectives across all levels of the organisation, recruitment policies will continue to promote merit and ability as a primary factor in recruitment.

## 1.6 - 1.7 Performance Evaluation

**Complied**

The Board undertakes an annual review of its own performance and that of its committees and individual directors. The process is led by the Chair of the Remuneration and Nomination Committee (RNC Chair) and is based on an evaluation questionnaire that is provided to all directors. The RNC Chair collates the results and the outcomes of the review are presented to the Board and used to set activities and key performance indicators to continue to improve board performance and efficiency. A performance evaluation was undertaken during the Disclosure Period.

Senior executives are subject to annual performance evaluations carried out by the CEO or the Chair (for the CEO). The performance evaluation takes the form of an evaluation of an individual against pre-determined and approved key performance indicators (KPIs). The KPIs include corporate goals and targets and allow for the achievement of stretch targets for exceptional performance. The KPIs for executive directors are approved by the Board and the KPIs for senior executives are approved by the CEO. These performance evaluations were undertaken during the Disclosure Period.

Remuneration details of senior executives designated by the Board as Key Management Personnel (KMP) in accordance with the definition in AASB 24 are contained in the Remuneration Report section of the Company's 2019 Annual Report, available on the ASX or via the Company's website.

# Corporate Governance Statement

## PRINCIPLE 2: Structure the Board to Add Value

### 2.1 Remuneration and Nomination Committee

**Complied**

The Company's Remuneration and Nomination Committee Charter, which is available on the Company's website, provides the Remuneration and Nomination Committee (RNC) shall comprise a minimum of three members, a majority of whom shall be independent directors, and shall be chaired by an independent director.

During the Disclosure period, the RNC comprised of, Alan Watson (Chair), Jon Stewart and Steve Scudamore. Alan Watson and Steve Scudamore are independent directors.

Details on the number of meetings held and each member's attendance throughout 2019 are set out in the Directors' Report contained in the Company's 2019 Annual Report.

### 2.2 Board Skills Matrix

**Complied**

The Board has adopted a Board Skills Matrix that sets out the skills and experience it considers appropriate for the current size and status of the Company as set out below.

Area	Competence
Executive leadership	<ul style="list-style-type: none"><li>• Previous senior management positions</li><li>• Outside public company Directorships</li></ul>
Strategy	<ul style="list-style-type: none"><li>• Previous experience in setting and delivering on strategy</li><li>• Ability to analyse information in order to make informed decisions</li><li>• Assess performance against strategy</li></ul>
Industry experience	<ul style="list-style-type: none"><li>• Oil &amp; gas experience or engineering or science qualification</li><li>• Previous Director appointment in an oil &amp; gas company</li></ul>
Corporate finance	<ul style="list-style-type: none"><li>• Experience in large scale project outlays and financing, experience in mergers and acquisitions</li></ul>
Financial acumen	<ul style="list-style-type: none"><li>• Financial literacy including senior management or equivalent experience in financial accounting, reporting, corporate finance or internal audit</li><li>• Accounting or finance qualification</li></ul>
Remuneration and HR	<ul style="list-style-type: none"><li>• Experience in relation to remuneration and retention management, including incentive programs</li></ul>
International experience	<ul style="list-style-type: none"><li>• Experience with international assets, cultures, communities and business environments</li></ul>
Governance	<ul style="list-style-type: none"><li>• Membership of governance organisation</li><li>• Previous experience in governance of organisations</li></ul>
Risk Management	<ul style="list-style-type: none"><li>• Experience in applying and overseeing broad based risk management frameworks in various country, regulatory or business environments</li></ul>
HSE and CSR	<ul style="list-style-type: none"><li>• Experience in workplace and worksite HSE and environmental and social responsibility</li></ul>

The Board considers the current Board skills and expertise are adequate for the current size and stage of development of the Company.

Whilst the majority of the Board have previous US oil and gas experience, the Board will monitor the appropriateness of appointing a US-based director with oil and gas experience.

Information on the directors of the Company, including their length of service are set out in the Directors' Report of the Company's 2019 Annual Report, available on the ASX or via the Company's website.

The Company's Remuneration and Nomination Committee Charter, and specifically clause 3.6(b) relating to directors' skills, is available on the Company's website.

## 2.3 Independent Directors

**Complied**

Information on the directors of the Company, including their length of service are set out in the Directors' Report of the Company's 2019 Annual Report. The Board currently comprises Jon Stewart (Non-Executive Chair) who is not considered independent, Ian Lusted and Graham Dowland (Executive Directors) who are not considered independent, and Alan Watson and Steve Scudamore (independent Non-Executive Directors).

The Board considers an independent director to be a Non-Executive Director who is free of any interest, position, association or relationship that might influence, or reasonably be perceived to influence, his or her capacity to bring an independent judgement to bear on issues before the Board and to act in the best interests of Australis and its security holders generally. The Board will consider the materiality of any given relationship on a case-by-case basis. The Board reviews the independence of each director in light of interests disclosed to the Board from time to time. The Board will consider whether there are any factors or considerations which may mean that a director's interest, position, association or relationship might influence, or reasonably be perceived to influence, the capacity of the director to bring an independent judgement to bear on issues before the Board and to act in the best interests of Australis and its security holders generally. Whilst the Company encourages the holding of equity interests by Directors as a means of aligning their interests with the interests of shareholders, non-executive directors do not participate in the Australis Oil & Gas Limited Employee Equity Incentive Plan.

The Board considers that Alan Watson and Steve Scudamore are free from any interest, position, association or relationship that might influence, or reasonably be perceived to influence, the independent exercise of their judgement and that they are able to fulfil the role of independent director. Jon Stewart is not currently considered to be Independent as he holds a relevant interest of 6.93% of the shares in the Company. Ian Lusted and Graham Dowland hold the positions of CEO and CFO respectively and therefore do not meet the definition of independent director due to their executive appointments. The directors believe that they are able to objectively analyse the issues before them in the best interests of all Shareholders and in accordance with their duties as directors.

## 2.4 Majority Independent Directors

**Not complied**

The Board does not consist of a majority of independent directors. The Board acknowledges the ASX Corporate Governance Council's recommendation that a majority of the Board should be independent directors.

The current independent directors have extensive experience as non-executive board members and as such the Board believes this allows the Company to benefit from the significant oil & gas, public company and financial experience that Messers Stewart, Lusted and Dowland bring to the Board. The Board will consider in due course the appointment of additional independent director(s) with growth in the size and/or complexity of its business such that it will be comprised of a majority of independent directors in the future and this has been reflected in clause 4.4 of the Board Charter, available via the Company's website.

## 2.5 Chair Independence

**Not complied**

Mr Stewart is not an independent director however the Board believes Mr Stewart has significant board, chair, public company, oil and gas industry and financial experience and this results in a sound understanding of the business of the Company which enable Mr Stewart to provide knowledgeable yet unfettered judgement to the Board's deliberations.

The position of CEO is held by Ian Lusted.

## 2.6 Director Induction and Development

**Complied**

The Company provides new directors with access to professional development if required and it provides an appointment letter and induction pack which describes the expectations and responsibilities that will come with the role. Further information is set out in clause 3.5 of the Company's Board Charter, available via the Company's website.

The Board reviews on an annual basis whether the directors as a group have the skills, knowledge and familiarity with the Company and its operating environment required to fulfil their role on the Board and the Board committees effectively using a board skills matrix and an evaluation questionnaire. Where any gaps are identified, the Board considers what training or development should be undertaken to fill those gaps.

# Corporate Governance Statement

## PRINCIPLE 3: Act Ethically and Responsibly

### 3.1 Code of Conduct

**Complied**

The Company's Code of Conduct addresses all recommended practices and issues and is available via the Company's website. Under clause 6 of the Company's Code of Conduct, any Australis personnel who suspects or observes a breach of the Code is obliged to report it immediately to a Director or Senior Manager.

## PRINCIPLE 4: Safeguard Integrity in Corporate Reporting

### 4.1 Audit and Risk Management Committee

**Complied**

For the reporting period, the Audit and Risk Management Committee (ARMC) comprised three members, Steve Scudamore (Chair), Jon Stewart and Alan Watson. As Alan Watson and Steve Scudamore are independent directors, the ARMC comprises a majority of independent directors and is chaired by an independent director who is not the chair of the Board.

The Audit and Risk Management Committee Charter is available via the Company's website.

The relevant qualifications and experience of each member are outlined in the Directors' Report contained in the Company's 2019 Annual Report.

Details on the number of meetings held and each member's attendance throughout 2019 are set out in the Directors' Report contained in the Company's 2019 Annual Report.

### 4.2 Financial Integrity

**Complied**

Prior to Board approval of the Company's full year financial report to 31 December 2019 (contained in the Company's 2019 Annual Report), the CEO and CFO provided the Board with the declarations required under section 295A of the *Corporations Act 2001* (Cth) ("Corporations Act").

The declarations state that, in their opinion, the financial records of Company had been properly maintained and that the financial statements compiled with the appropriate accounting standards and gave a true and fair view of the financial position and performance of the Company and that those opinions had been formed on the basis of a sound system of risk management and internal control which was operating effectively.

The basis of the CEO/CFO declaration is an executed management sign off report which is provided to the ARMC and Board.

### 4.3 External Auditor's Attendance at AGM

**Complied**

Under section 250RA of the Corporations Act, the Company's auditor is required to attend the Company's annual general meeting at which the audit report is considered or be represented by a person who is a suitably qualified member of the audit team that conducted the audit and is in a position to answer questions about the audit. The Company has informed the Company's auditor of the date of the Company's annual general meeting.

In accordance with section 250S of the Corporations Act, at the Company's annual general meeting where the Company's auditor or their representative is at the meeting, the Chair will allow a reasonable opportunity for the members as a whole at the meeting to ask the auditor (or its representative) questions relevant to 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. The Chair will also allow a reasonable opportunity for the auditor (or their representative) to answer written questions submitted to the auditor under section 250PA of the Corporations Act.

## **PRINCIPLE 5: Make Timely and Balanced Disclosure**

### **5.1 Written Policy**

*Complied*

The Company's written policies and procedures for compliance with the ASX Listing Rule disclosure requirements are included in the Company's Continuous Disclosure Policy which is available on the Company website.

## **PRINCIPLE 6: Respect the Rights of Security Holders**

### **6.1 Information Disclosure via Company Website**

*Complied*

The Company provides information about operations and its governance including copies of the Board Charter, key governance charters, policies and other documents to investors on its website at [www.australisoil.com](http://www.australisoil.com).

### **6.2 Investor Relations Program**

*Complied*

The Company has adopted a Stakeholder Communication Policy which is available on the Company's website.

The Managing Director and executives engage in webinars, informal meetings and telephone calls with a range of investors on a regular basis. A corporate LinkedIn profile further assists engagement with current and prospective investors.

The Company's website provides shareholders and others the opportunity to register to receive additional information such as press releases and other materials electronically.

### **6.3 - 6.4 Security Holder Participation & Communication**

*Complied*

The Board supports practices that provide effective and clear communications with security holders and allow security holder participation at general meetings.

The Company has adopted a Stakeholder Communication Policy which encourages the use of electronic communications. Shareholders are able to communicate with the Managing Director and Company Secretary via the Company email address at [contact@australisoil.com](mailto:contact@australisoil.com), and the Managing Director also hosts webinars which allows shareholders to directly ask questions.

Australis shareholders have the option to receive Company information electronically by registering their email address online with the Registry. The Australis website provides shareholders and others the opportunity to receive additional information such as press releases and other materials electronically. Additionally, the Company's Registry provides online portal access to security owners.

The Stakeholder Communication Policy is available via the Company's website.

## **PRINCIPLE 7: Recognise and Manage Risk**

### **7.1 Audit and Risk Management Committee Disclosure**

*Complied*

For the reporting period, the ARMC comprised three members, Steve Scudamore (Chair), Jon Stewart and Alan Watson. Alan Watson and Steve Scudamore are independent directors. The ARMC comprises a majority of independent directors and has an independent chair.

Day-to-day risk management is delegated to the CEO, who is supported in monitoring and managing risks by the Board and the Company Secretary.

Details on the number of meetings held and each member's attendance throughout 2019, and the relevant qualifications and experience of each member are outlined in the Directors' Report contained in the Company's 2019 Annual Report.

The Audit and Risk Management Committee Charter is available via the Company's website.

# Corporate Governance Statement

## 7.2 Review of Risk Management Framework

*Complied*

The Company has adopted a Risk Management Policy which is available on the Company's website.

The Policy states the Board retains overall responsibility for reviewing, ratifying and monitoring systems of risk management and internal control and legal compliance and for satisfying itself that management has developed and implemented a sound system of risk management and internal control.

Implementation of the risk management system and day-to-day management of risk is the responsibility of the CEO, with the assistance of senior management, as required.

The CEO is required to report on the progress of, and on all matters associated with, risk management to the ARMC at least twice a year. The CEO is to report to the Board as to the effectiveness of the Company's management of its material business risks, at least annually.

The Board conducted a review of the Company's Risk Management Policy during the Reporting Period.

## 7.3 Internal Audit Function

*Not applicable*

The Company does not have an internal audit function.

The Board oversees risk management with the assistance of the ARMC.

The ARMC regularly reviews internal control processes. During 2019, an independent internal risk and audit group assisted and assessed the Company's internal process and procedures linked to the internal risk management framework.

The Board considers that the strategy adopted is appropriate for the Company's current size and stage of development.

## 7.4 Material Exposure to Environmental & Social Sustainability Risks

*Complied*

The key risk factors affecting the Company and how the Company intends to manage those risks is set out in the Company's 2019 Annual Report.

## PRINCIPLE 8: Remunerate Fairly and Responsibly

### 8.1 Remuneration Committee

*Complied*

The Remuneration and Nomination Charter provides that the RNC should comprise a minimum of three members, a majority of whom shall be Independent Directors, and shall be chaired by an independent director.

For the reporting period, the RNC comprised three members, Alan Watson (Chair), Jon Stewart and Steve Scudamore. Alan Watson and Steve Scudamore are independent directors. The RNC has a majority of independent directors and an independent chair.

Details on the number of meetings held and each member's attendance throughout 2019 are set out in the Directors' Report contained in the Company's 2019 Annual Report.

The Remuneration and Nomination Charter is available via the Company's website.

### 8.2 Directors' Remuneration Report

*Complied*

The structure of Non- Executive Directors' remuneration is clearly distinguished from that of Executive Directors and Senior Executives as set out in the Remuneration Report, which forms part of the Company's 2019 Annual Report.

### 8.3 Equity-based Remuneration

*Complied*

The Company has adopted an equity-based remuneration scheme which is summarised in the 2019 Annual Report.

The Company's Securities Trading Policy, which is available via the Company website, specifically prohibits Directors, Senior Executives and employees of the Company from entering into arrangements for the purpose of limiting the economic risk of any Company securities which they hold.