

## Appendix 4G

# Key to Disclosures Corporate Governance Council Principles and Recommendations

Name of entity:

GLOBAL PETROLEUM LIMITED

ABN / ARBN:

68 064 120 896

Financial year ended:

30 JUNE 2017

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

- These pages of our annual report:
- This URL on our website: [www.globalpetroleum.com.au](http://www.globalpetroleum.com.au)

The Corporate Governance Statement is accurate and up to date as at 18 September 2017 and has been approved by the board.

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

Date: 18 September 2017

Name of Secretary authorising lodgement: Damien Paul Cronin

<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 type="checkbox"/> in our Corporate Governance Statement <b>OR</b> <input checked="" type="checkbox"/> at www.globalpetroleum.com.au ... 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"/> at www.globalpetroleum.com.au	<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 type="checkbox"/> in our Corporate Governance Statement <b>OR</b> <input checked="" type="checkbox"/> at www.globalpetroleum.com.au	<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 type="checkbox"/> in our Corporate Governance Statement <b>OR</b> <input checked="" type="checkbox"/> at www.globalpetroleum.com.au	<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 type="checkbox"/> in our Corporate Governance Statement <b>OR</b> <input checked="" type="checkbox"/> at www.globalpetroleum.com.au	<input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement <b>OR</b> <input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable

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

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

Corporate Governance Council recommendation	We have followed the recommendation in full for the whole of the period above. We have disclosed ...	We have NOT followed the recommendation in full for the whole of the period above. We have disclosed ... <sup>4</sup>	
<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 type="checkbox"/> in our Corporate Governance Statement <b>OR</b></p> <p><input type="checkbox"/> at ... and a copy of the charter of the committee:</p> <p><input type="checkbox"/> at ... and the information referred to in paragraphs (4) and (5):</p> <p><input type="checkbox"/> in our Corporate Governance Statement <b>OR</b></p> <p><input type="checkbox"/> at</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 checked="" type="checkbox"/> at <a href="http://www.globalpetroleum.com.au">www.globalpetroleum.com.au</a></p>	<p><input checked="" type="checkbox"/> an explanation why that is so in our Corporate Governance Statement <b>OR</b></p> <p><input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable</p>
2.2	<p>A listed entity should have and disclose a board skills matrix setting out the mix of skills and diversity that the board currently has or is looking to achieve in its membership.</p>	<p>... our board skills matrix:</p> <p><input type="checkbox"/> in our Corporate Governance Statement <b>OR</b></p> <p><input checked="" type="checkbox"/> at <a href="http://www.globalpetroleum.com.au">www.globalpetroleum.com.au</a></p>	<p><input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement <b>OR</b></p> <p><input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable</p>

Corporate Governance Council recommendation		We have followed the recommendation in full for the whole of the period above. We have disclosed ...	We have NOT followed the recommendation in full for the whole of the period above. We have disclosed ... <sup>4</sup>
2.3	A listed entity should disclose: (a) the names of the directors considered by the board to be independent directors; (b) if a director has an interest, position, association or relationship of the type described in Box 2.3 but the board is of the opinion that it does not compromise the independence of the director, the nature of the interest, position, association or relationship in question and an explanation of why the board is of that opinion; and (c) the length of service of each director.	... the names of the directors considered by the board to be independent directors: <input type="checkbox"/> in our Corporate Governance Statement <b>OR</b> <input checked="" type="checkbox"/> at www.globalpetroleum.com.au ... and, where applicable, the information referred to in paragraph (b): <input type="checkbox"/> in our Corporate Governance Statement <b>OR</b> <input type="checkbox"/> at ... and the length of service of each director: <input type="checkbox"/> in our Corporate Governance Statement <b>OR</b> <input checked="" type="checkbox"/> at www.globalpetroleum.com.au	<input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement
2.4	A majority of the board of a listed entity should be independent directors.	... the fact that we follow this recommendation: <input type="checkbox"/> in our Corporate Governance Statement <b>OR</b> <input type="checkbox"/> at	<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 checked="" type="checkbox"/> at www.globalpetroleum.com.au	<input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement <b>OR</b> <input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable
2.6	A listed entity should have a program for inducting new directors and provide appropriate professional development opportunities for directors to develop and maintain the skills and knowledge needed to perform their role as directors effectively.	... the fact that we follow this recommendation: <input type="checkbox"/> in our Corporate Governance Statement <b>OR</b> <input checked="" type="checkbox"/> at www.globalpetroleum.com.au	<input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement <b>OR</b> <input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable
<b>PRINCIPLE 3 – ACT ETHICALLY AND RESPONSIBLY</b>			
3.1	A listed entity should: (a) have a code of conduct for its directors, senior executives and employees; and (b) disclose that code or a summary of it.	... our code of conduct or a summary of it: <input type="checkbox"/> in our Corporate Governance Statement <b>OR</b> <input checked="" type="checkbox"/> at www.globalpetroleum.com.au	<input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement

Corporate Governance Council recommendation	We have followed the recommendation in full for the whole of the period above. We have disclosed ...	We have NOT followed the recommendation in full for the whole of the period above. We have disclosed ... <sup>4</sup>	
<b>PRINCIPLE 4 – SAFEGUARD INTEGRITY IN CORPORATE REPORTING</b>			
4.1	<p>The board of a listed entity should:</p> <p>(a) have an audit committee which:</p> <p>(1) has at least three members, all of whom are non-executive directors and a majority of whom are independent directors; and</p> <p>(2) is chaired by an independent director, who is not the chair of the board, and disclose:</p> <p>(3) the charter of the committee;</p> <p>(4) the relevant qualifications and experience of the members of the committee; and</p> <p>(5) in relation to each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or</p> <p>(b) if it does not have an audit committee, disclose that fact and the processes it employs that independently verify and safeguard the integrity of its corporate reporting, including the processes for the appointment and removal of the external auditor and the rotation of the audit engagement partner.</p>	<p>[If the entity complies with paragraph (a):]</p> <p>... the fact that we have an audit committee that complies with paragraphs (1) and (2):</p> <p><input type="checkbox"/> in our Corporate Governance Statement <b>OR</b></p> <p><input type="checkbox"/> at ... and a copy of the charter of the committee:</p> <p><input type="checkbox"/> at ... and the information referred to in paragraphs (4) and (5):</p> <p><input type="checkbox"/> in our Corporate Governance Statement <b>OR</b></p> <p><input type="checkbox"/> at</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 type="checkbox"/> in our Corporate Governance Statement <b>OR</b></p> <p><input type="checkbox"/> at</p>	<p><input checked="" type="checkbox"/> an explanation why that is so in our Corporate Governance Statement</p>
4.2	<p>The board of a listed entity should, before it approves the entity's financial statements for a financial period, receive from its CEO and CFO a declaration that, in their opinion, the financial records of the entity have been properly maintained and that the financial statements comply with the appropriate accounting standards and give a true and fair view of the financial position and performance of the entity and that the opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.</p>	<p>... the fact that we follow this recommendation:</p> <p><input type="checkbox"/> in our Corporate Governance Statement <b>OR</b></p> <p><input checked="" type="checkbox"/> at <a href="http://www.globalpetroleum.com.au">www.globalpetroleum.com.au</a></p>	<p><input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement</p>

Corporate Governance Council recommendation		We have followed the recommendation in full for the whole of the period above. We have disclosed ...	We have NOT followed the recommendation in full for the whole of the period above. We have disclosed ... <sup>4</sup>
4.3	A listed entity that has an AGM should ensure that its external auditor attends its AGM and is available to answer questions from security holders relevant to the audit.	<p>... the fact that we follow this recommendation:</p> <input type="checkbox"/> in our Corporate Governance Statement <b>OR</b> <input checked="" type="checkbox"/> at <a href="http://www.globalpetroleum.com.au">www.globalpetroleum.com.au</a>	<input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement <b>OR</b> <input type="checkbox"/> we are an externally managed entity that does not hold an annual general meeting and this recommendation is therefore not applicable
<b>PRINCIPLE 5 – MAKE TIMELY AND BALANCED DISCLOSURE</b>			
5.1	A listed entity should: <p>(a) have a written policy for complying with its continuous disclosure obligations under the Listing Rules; and</p> <p>(b) disclose that policy or a summary of it.</p>	<p>... our continuous disclosure compliance policy or a summary of it:</p> <input type="checkbox"/> in our Corporate Governance Statement <b>OR</b> <input checked="" type="checkbox"/> at <a href="http://www.globalpetroleum.com.au">www.globalpetroleum.com.au</a>	<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.	<p>... information about us and our governance on our website:</p> <input checked="" type="checkbox"/> at <a href="http://www.globalpetroleum.com.au">www.globalpetroleum.com.au</a>	<input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement
6.2	A listed entity should design and implement an investor relations program to facilitate effective two-way communication with investors.	<p>... the fact that we follow this recommendation:</p> <input type="checkbox"/> in our Corporate Governance Statement <b>OR</b> <input checked="" type="checkbox"/> at <a href="http://www.globalpetroleum.com.au">www.globalpetroleum.com.au</a>	<input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement
6.3	A listed entity should disclose the policies and processes it has in place to facilitate and encourage participation at meetings of security holders.	<p>... our policies and processes for facilitating and encouraging participation at meetings of security holders:</p> <input type="checkbox"/> in our Corporate Governance Statement <b>OR</b> <input checked="" type="checkbox"/> at <a href="http://www.globalpetroleum.com.au">www.globalpetroleum.com.au</a>	<input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement <b>OR</b> <input type="checkbox"/> we are an externally managed entity that does not hold periodic meetings of security holders and this recommendation is therefore not applicable
6.4	A listed entity should give security holders the option to receive communications from, and send communications to, the entity and its security registry electronically.	<p>... the fact that we follow this recommendation:</p> <input type="checkbox"/> in our Corporate Governance Statement <b>OR</b> <input checked="" type="checkbox"/> at <a href="http://www.globalpetroleum.com.au">www.globalpetroleum.com.au</a>	<input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement

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



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

Corporate Governance Council recommendation	We have followed the recommendation in full for the whole of the period above. We have disclosed ...	We have NOT followed the recommendation in full for the whole of the period above. We have disclosed ... <sup>4</sup>	
<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 type="checkbox"/> in our Corporate Governance Statement <b>OR</b></p> <p><input type="checkbox"/> at</p> <p>... and a copy of the charter of the committee:</p> <p><input type="checkbox"/> at</p> <p>... and the information referred to in paragraphs (4) and (5):</p> <p><input type="checkbox"/> in our Corporate Governance Statement <b>OR</b></p> <p><input type="checkbox"/> at</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 type="checkbox"/> in our Corporate Governance Statement <b>OR</b></p> <p><input checked="" type="checkbox"/> at <a href="http://www.globalpetroleum.com.au">www.globalpetroleum.com.au</a></p>	<p><input checked="" type="checkbox"/> an explanation why that is so in our Corporate Governance Statement <b>OR</b></p> <p><input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable</p>
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 type="checkbox"/> in our Corporate Governance Statement <b>OR</b></p> <p><input checked="" type="checkbox"/> at <a href="http://www.globalpetroleum.com.au">www.globalpetroleum.com.au</a></p>	<p><input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement <b>OR</b></p> <p><input type="checkbox"/> we 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 type="checkbox"/> in our Corporate Governance Statement <b>OR</b></p> <p><input checked="" type="checkbox"/> at <a href="http://www.globalpetroleum.com.au">www.globalpetroleum.com.au</a></p>	<p><input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement <b>OR</b></p> <p><input type="checkbox"/> we do not have an equity-based remuneration scheme and this recommendation is therefore not applicable <b>OR</b></p> <p><input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable</p>

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>ADDITIONAL DISCLOSURES APPLICABLE TO EXTERNALLY MANAGED LISTED ENTITIES</b>			
-	<p><i>Alternative to Recommendation 1.1 for externally managed listed entities:</i></p> <p>The responsible entity of an externally managed listed entity should disclose:</p> <p>(a) the arrangements between the responsible entity and the listed entity for managing the affairs of the listed entity;</p> <p>(b) the role and responsibility of the board of the responsible entity for overseeing those arrangements.</p>	<p>... the information referred to in paragraphs (a) and (b):</p> <p><input type="checkbox"/> in our Corporate Governance Statement <b>OR</b></p> <p><input type="checkbox"/> at</p>	<p><input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement</p>
-	<p><i>Alternative to Recommendations 8.1, 8.2 and 8.3 for externally managed listed entities:</i></p> <p>An externally managed listed entity should clearly disclose the terms governing the remuneration of the manager.</p>	<p>... the terms governing our remuneration as manager of the entity:</p> <p><input type="checkbox"/> in our Corporate Governance Statement <b>OR</b></p> <p><input type="checkbox"/> at</p>	<p><input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement</p>

## **Corporate Governance Statement**

As a company listed on the Australian Securities Exchange (ASX), Global Petroleum Limited ('Global Petroleum', Company) is required to have regard to the ASX Corporate Governance Council's *Corporate Governance Principles and Recommendations* (ASX Recommendations), available from the ASX web-site ([www.asx.com.au](http://www.asx.com.au)). The ASX Recommendations cover a range of 'aspirational' principles to promote good corporate governance. Global Petroleum aims to comply to the maximum extent practicable, considering the Company's resources, stage of development and current priorities. The corporate governance statement is current as at the date of this report.

### **Our approach to corporate governance**

#### **(a) Framework and approach to corporate governance and responsibility**

The Board of Global Petroleum is committed to maintaining the highest standards of corporate governance.

Corporate governance in essence is about adopting and maintaining a set of values that underpin the company's everyday activities - values that ensure fair dealing, transparency of actions, and protect the interests of all stakeholders. The Board considers corporate governance forms part of a broader framework of corporate responsibility and regulatory oversight.

In pursuing its commitment to best practice governance standards, the Board will continue to:

- review and improve its governance practices; and
- monitor global developments in best practice corporate governance.

The Board's approach has been to be guided by the principles and practices that are in our stakeholders' best interests while ensuring full compliance with legal requirements.

#### **(b) Compliance with the ASX Corporate Governance Principles and Recommendations**

ASX Listing Rules requires listed companies to include in their Annual Report a statement disclosing the extent to which they have followed and complied with the ASX Corporate Governance Principles and Recommendations within the reporting period.

Listed companies must identify the recommendations that have not been followed and further disclose the rationale for not adopting any of the best practice recommendations, a case of 'if not, why not?' A summary of the Company's compliance with the ASX Corporate Governance Principles and Recommendation can be found on pages 20 to 30 of this statement.

This Governance Statement describes the Company's governance practices and notes where they do not comply with the ASX Corporate Governance Principles and Recommendations.

#### **Date of this statement**

This statement reflects the Company's corporate governance policies and procedures as at 18 September 2017 and 8 May 2018.

## **The Board of Directors**

### **(a) Membership and expertise of the Board**

The Board has a broad range of relevant financial and industry skills, experience and expertise to meet its objectives. The current Board composition, with details of individual Director's backgrounds, is set out within the Directors Report on pages 4 to 6 of the Company's 2017 Annual Report.

### **(b) Board role and responsibility**

The Board is accountable to shareholders and stakeholders for Global Petroleum's performance. In summary, the Board's responsibilities include but are not limited to the following:

- Appointing and removing the Managing Director and any other executives and approving their remuneration;
- Appointing and removing the Company Secretary / Chief Financial Officer and approving their remuneration;
- Determining the strategic direction of the Company and measuring performance of management against approved strategies;
- Review of the adequacy of resources for management to properly carry out approved strategies and business plans;
- Adopting operating and capital expenditure budgets at the commencement of each financial year and monitoring the progress by both financial and non-financial key performance indicators;
- Monitoring the Company's medium term capital and cash flow requirements;
- Approving and monitoring financial and other reporting to regulatory bodies, shareholders and other organisations;
- Determining that satisfactory arrangements are in place for auditing the Company's financial affairs;
- Reviewing and ratifying systems of risk management and internal compliance and control, codes of conduct and compliance with legislative requirements; and
- Ensuring that policies and compliance systems consistent with the Company's objectives and best practice are in place and that the Company and its officers act legally, ethically and responsibly on all

The company has adopted a Board Charter which sets out the specific responsibilities of the Board, the requirements as to the Board's composition, the roles and responsibilities of the Chairman, Company Secretary and management, the establishment and operations of Board Committees, Directors' access to Company records and information, details of the Board's relationship with management, details of the Board's performance review and details of the Board's disclosure policy.

### **(c) Board size and composition**

The Board determines its size and composition, subject to the limits imposed by the Company's Constitution. The Constitution requires a minimum of three and a maximum of ten Directors. In addition, at least two of the Directors shall ordinarily reside within Australia. Currently, the Board consists of six directors, three independent non-executive, two dependent non-executive and one executive directors.

Election of Board members is substantially the province of the Shareholders in general meeting however the Board may fill casual vacancies within the year and seek shareholder approval at the next available general meeting of the Company.

#### **(d) The selection and role of the Chairman**

The Chairman is selected by the Board from the non-executive Directors. The Chairman's role includes:

- providing effective leadership on formulating the Board's strategy;
- representing the views of the Board to the public;
- ensuring that, when all Board members take office, they are fully briefed on the terms of their appointment, their duties and responsibilities;
- ensuring that the Board meets at regular intervals throughout the year, and that minutes of meetings accurately record decisions taken and, where appropriate, the views of individual Directors;
- guiding the agenda and conduct of all Board meetings; and
- reviewing the performance of the Board of Directors.

The Board Charter provides that where practical the Chairman of the Board will be a non-executive director. The Chairman, Mr John van der Welle is a non-executive director and is considered by the Board to be independent.

#### **(e) Directors' Independence**

The Board assesses each of the Directors against specific criteria to decide whether they are in a position to exercise independent judgement. Directors are considered to be independent if they are independent of management and free from any business or other relationship that could materially interfere with, or could reasonably be perceived to materially interfere with, the exercise of their unfettered and independent judgement.

Materiality is assessed on a case-by-case basis by reference to each Directors' individual circumstances rather than general materiality thresholds. In assessing independence, the Board considers whether the Director has a business or any other relationship with the Company, either directly, or as a partner, shareholder or officer of a company with Global Petroleum or group member. Presently the independent Directors are Mr John van der Welle, Mr Andrew Draffin and Mr Garrick Higgins. Mr Peter Hill is executive of the Company and is therefore not considered to be independent. Mr Peter Blakey and Mr Peter Taylor are considered to be dependent directors as they are major shareholders of the Company.

#### **(f) Avoidance of conflicts of interest by a Director**

In accordance with the Corporations Act 2001, any Director with a material personal interest in a matter being considered by the Board must excuse themselves when the matter is being considered and may not vote on such a matter in their capacity as a Director. Directors are provided with an opportunity to declare any existing or potential conflict of interest at the beginning of each board meeting with regards to any business under consideration at that meeting.

#### **(g) Meetings of the Board and their conduct**

Meetings of the Board occur as appropriate. The Board meetings are held at least six times a year wherever possible. Details of Board meetings held and attended are tabled in the Directors' Report, which forms part of the Annual Report.

#### **(h) Succession planning**

The Board plans succession of its own members taking into account the skills, experience and expertise required and currently represented, and Global Petroleum's future direction. The Board is also responsible for CEO, CFO and Company Secretary succession planning together with other executive appointments as required.

#### **(i) Review of Board performance**

The Board of Global Petroleum are responsible for self-evaluation and individual Directors will be evaluated on an annual basis, with the aid of an independent advisor, if deemed required.

**(j) Nomination and appointment of new Directors**

Global Petroleum has detailed guidelines surrounding the appointment and selection of Board members. The Company's Board Charter requires the Board to undertake an appropriate evaluation before appointing a person, or putting forward to shareholders a candidate for election, as a Director.

All material information relevant to a decision on whether or not to elect or re-elect a Director will be provided to shareholders within a Notice of Meeting pursuant to which the resolution to elect or re-elect such Director will be voted on.

**(k) Retirement and re-election of Directors**

The Company's Constitution states that one-third of the total member Directors of the board must retire each year with the exception of the CEO or Managing Director. The maximum period that each Director can serve in any single term is three years. Any Director who has been appointed during the year must retire at the next annual general meeting of the Company and may offer themselves for election at that meeting. Eligible Directors who retire each year in accordance with the rotation policy may offer themselves for re-election by shareholders at the next annual general meeting.

**(l) Compulsory retirement of Directors**

The Board has no limit on the number of terms of office which any Director may serve in accordance with the Company's constitution.

**(m) Board access to information and advice**

All Directors have unrestricted access to company records and relevant information concerning the Company's operations. The Board is provided with regular detailed financial and operational reports and the Company Secretary provides Directors with ongoing guidance on issues such as corporate governance, the Company's Constitution and other regulatory considerations with assistance from external advisors where appropriate.

The Board collectively, and each Director individually has the right to seek independent professional advice at the Company's expense to the extent that it will enable them to carry out their responsibilities. The Chairman's consent must be sought prior to seeking such legal advice however it is noted that such consent will not be unreasonably withheld.

**(n) Diversity Policy**

The Board has not formally adopted a diversity policy however the Board has provided a framework for the Company to achieve, amongst other things, a diverse and skilled workforce, a workplace culture characterised by inclusive practices and behaviours for the benefit of all staff, improved employment and career development opportunities for women and a work environment that values and utilises the contributions of employees with diverse backgrounds, experiences and perspectives through its broader Code of Conduct.

	30 June 2017	
	Number	%
<b>Women on the Board</b>	-	-
<b>Women in senior management roles</b>	-	-
<b>Women employees in the Company</b>	1	50

### **(o) Securities trading policy**

Directors and employees are subject to the Corporations Act with regards to restrictions on trading the Company's securities if they are in possession of inside information. Inside information is regarded as any information that is non-public and, if it were public that a reasonable person would expect to have a material effect on the price of the Company's securities.

The Company's Securities Trading Policy imposes trading restrictions on when Key Management Personnel (KMP) and other employees of the Company may deal in the Company's securities, in order to reduce the risk of insider trading.

The Securities Trading Policy prohibits KMP and other employees from dealing in the Company's securities if he or she has information that he or she knows, or ought to reasonably know, is inside information.

The Securities Trading Policy also provides prescribed closed periods during which KMP are prohibited from dealing in the Company's securities (subject to certain limited exceptions). The 'closed periods' are based around the release of material information including annual and half yearly results, quarterly cash flow reports, and results from feasibility studies, exploration and corporate activities.

In addition, if an employee (including a KMP) has information that he or she knows, or ought reasonably to know, is inside information, the employee must not directly or indirectly communicate that information to another person if he or she knows, or ought reasonably to know, that the other person would or would be likely to deal in the Company's securities or procure another person to deal in the Company's securities. This prohibition applies regardless of how the employee learns the information (e.g. even if the employee overhears it or is told in a social setting).

KMP must obtain written clearance from an approving officer at least two business days prior when a KMP intends to deal in Company securities. KMP must then notify the Company Secretary of any dealings in the Company's securities within two business days of such deal occurring.

### **Board committees**

The Board will look to implement the following committees or a combination thereof once the size of the business and the level of the Company's operations deems it necessary:

- Audit Committee
- Board Risk Oversight Committee
- Board Nominations Committee
- Board Remuneration Committee

Due to the size and nature of the existing Board and the magnitude of the Company's operations, the Company has not formally implemented the committees listed above. The full Board carries out the duties that would ordinarily be assigned to the above Committees under the written terms of reference or charters where applicable for those committees. These charters or policy documents will be posted to the Company's website within the Corporate Governance section.



## **Audit governance and independence**

### **(a) Approach to audit governance**

The Board is committed to these basic principles. Global Petroleum must:

- Produce true and fair financial reports;
- Prepare a framework of risk management and internal controls;
- Ensure transparent and timely reporting; and
- Ensure its accounting methods are comprehensive and relevant and comply with applicable accounting standards and policies.

### **(b) Engagement and rotation of external auditor**

The Company's independent external auditor is KPMG Australia and there is currently no set minimum or maximum term of engagement for the external auditor of the Company. However the audit partner responsible for the audit report must rotate at least once in any five year period in accordance with appropriate regulations.

### **(c) Discussions with external auditor on independence**

The Board requires the external auditor to confirm that they have maintained their independence and this declaration is disclosed within the full-year and half-year financial report released by the Company and can be found on page 16 of the Company's 2017 Annual Report.

### **(d) Relationship with auditor**

- the audit partner and any audit firm employee on the Global Petroleum audit are prohibited from being an officer of the Company;
- an immediate family member of an audit partner or any audit firm employee on the Global Petroleum audit is prohibited from being a Director or an officer in a significant position of the Company;
- a former audit firm partner or employee on the Global Petroleum audit is prohibited from becoming a Director or officer in a significant position of the Company for at least five years.
- members of the audit team and firm are prohibited from having a business relationship with Global Petroleum or any officer of the Company unless the relationship is clearly insignificant to both parties;
- the audit firm, its partners, its employees who work on the Global Petroleum audit and their immediate family members are prohibited from having a direct or material indirect investment in the Company;
- officers of the Company are prohibited from receiving any remuneration from the audit firm;
- the audit firm is prohibited from having a financial interest in any Company with a controlling interest in Global Petroleum; and
- the audit firm engagement team in any given year cannot include a person who had been an officer of Global Petroleum during that year or in the proceeding 2 years.

### **(e) Restrictions on non-audit services by the external auditor**

The external auditor is not restricted in the provision of non-audit services to the Company except as required by the Corporations Act or ASX Listing Rules. Any fees paid for non-audit services are disclosed with the auditor's remuneration sections of the Annual Report.

#### **(f) Attendance at Annual General Meeting**

The Company's external auditor is required to attend the annual general meeting of the Company and is available to answer shareholders questions in relation to the conduct of the audit of the financial report.

#### **Controlling and managing risk**

##### **(a) Approach to risk management**

The Board of the Company recognize that managing risk is central to the business and building shareholder value. Global Petroleum's approach is to identify, assess and control the risks which affect its business. The intention is to enable risks to be balanced against appropriate rewards. The risk management approach links the Company's vision, values, objectives, strategies, procedures and training.

##### **(b) Risk management roles and responsibilities**

The Board is responsible for approving and reviewing the Company's risk management strategy and policy. The Audit and Risk Management Committee would be responsible for implementing the Board-approved risk management strategy and developing policies, controls, processes and procedures to identify and manage risks in all of Global Petroleum's activities however this role is currently undertaken by the full Board.

##### **(c) CFO assurance**

The Board receives monthly reports regarding the financial condition and operational results of the Company and together with the CEO periodically provides formal statements to the Board that in all material respects:

- the company's periodic financial statements present a true and fair view of the Company's financial condition and operational results for those reporting periods; and
- that risk management and internal compliance and control systems are sound, appropriate and operating efficiently and effectively.

#### **Remuneration framework**

##### **(a) Overview**

The remuneration package of an executive Director will be set by the Board, without the affected executive Director participating in that decision-making process.

In respect of executive remuneration (which for the avoidance of doubt includes both directors and executive management), remuneration packages are designed to include an appropriate balance of fixed and variable performance based remuneration and may contain any or all of the following:

##### **Fixed remuneration**

- be reasonable and fair;
- take into account the Company's legal and industrial obligations together with labour market conditions;
- be relative to the scale of the Company's business;
- reflect core performance requirements and expectations; and
- take into account incumbent skills and experience;

##### **Variable performance-based remuneration**

- take into account individual and corporate performance; and
- be linked to clearly-specified performance targets, which should be:

- aligned to the Company's short and long-term performance objectives; and
- appropriate to its circumstances, goals and risk appetite;

#### **Equity-based remuneration**

Can include options or performance shares and is especially effective when linked to hurdles that are aligned to the Company's longer-term performance objectives also taking into account executive performance. However, programs are designed so that they do not lead to 'short-termism' on the part of senior executives or the taking of undue risks.

#### **Termination payments**

Termination payments are agreed in advance, and any agreement will clearly address what will happen in the case of early termination. There will be no payment for removal for serious misconduct. The employment contract for the executive has a rolling annual term and provides for termination by either party on twelve months' notice. Upon notice, the executive director will be entitled to his remuneration and related benefits up to the end of the notice period. The contract of employment does not provide any additional termination payout.

The Board's policy is for fees to Non-Executive Directors to be no greater than market rates for comparable companies for time, commitment and responsibilities. Given the current size, nature and risks of the Company, incentive options have been used to attract and retain certain Non-Executive Directors. The Board determines payments to the Non-Executive Directors and reviews their remuneration annually, based on market practice, duties and accountability. Independent external advice is sought when required.

### **Corporate responsibility and sustainability**

#### **(a) Approach to corporate responsibility and sustainability**

Global Petroleum Limited's approach to corporate responsibility and sustainability is to manage its business in a way that produces positive outcomes for all stakeholders and maximizes economic, social and environmental value simultaneously. In doing so, Global Petroleum accepts that the responsibilities flowing from this go beyond both strict legal obligations and the financial bottom line. Transparency, the desire for fair dealing, and positive links into the community underpin the Company's everyday activities and corporate responsibility practices.

#### **(b) Code of conduct**

The Company has in operation a formally adopted Code of Conduct that applies to all Directors, Executives and employees without exception. The intention of the Code is to govern workplace and human resource practices, risk management and legal compliance whilst ensuring alignment to the Shareholders' interests.

The Directors of Global Petroleum believe the core values of teamwork, integrity and performance ensure ethical outcomes and the alignment of the shareholders and the Boards' interests.

The ASX recommendations require that the Code of Conduct is reviewed periodically, specifically to reflect the ASX Corporate Governance Principles and Recommendations.

#### **(c) Continuous Disclosure**

The Company Secretary together with the Board has responsibility for ensuring compliance with the continuous disclosure requirements in accordance with ASX Listing Rules, plus overseeing and coordinating information disclosure to the ASX, analysts, brokers, shareholders, the media and the public.

Global Petroleum is committed to giving all shareholders comprehensive and equal access to information about its activities, and to meet continuous disclosure obligations to the broader market. The Company's policy is designed to ensure compliance with ASX Listing Rules continuous disclosure requirements and it ensures that any information that a reasonable person would expect to have a material effect on the price of the Company's securities is disclosed.

## Compliance with ASX Corporate Governance Council Good Practice Recommendations

The table below outlines each of the ASX Best Practice Recommendations and the Company's compliance with those recommendations. Where the Company has met the relevant recommendation during the reporting period, this is indicated by a "YES" in the relevant column. Where the Company has not met or complied with a recommendation, this is indicated by a "No" and an accompanying note explaining the reasons why the Company has not met the recommendation.

Principles and Recommendations	Comply (Yes/No)	Explanation
<b>Principle 1: Lay solid foundations for management and oversight</b>		
<p><b>Recommendation 1.1</b> A listed entity should disclose:</p> <p>(a) the respective roles and responsibilities of its board and management; and</p> <p>(b) those matters expressly reserved to the board</p>	YES	<p>The Company has adopted a Board Charter.</p> <p>The Board Charter sets out the specific responsibilities of the Board, the requirements as to the Boards composition, the roles and responsibilities of the Chairman, Company Secretary and management of Board Committees, Directors' access to Company records and information, details of the Board's relationship with management, details of the Board's performance review and details of the Board's disclosure policy.</p>
<p><b>Recommendation 1.2</b> A listed entity should disclose:</p> <p>(a) undertake appropriate checks before appointing a person, or putting forward a person, or putting forward to security holders a candidate for election, as a director; and</p> <p>(b) provide security holders with all material information relevant to a decision on whether or not to elect or re-elect a director.</p>	YES	<p>(a) The Company has probity processes in place (in accordance with the Board Charter) to confirm the appropriateness of candidates for appointment and election as Directors. The results of these processes are made available to shareholders when recommending a candidate for election as a Director.</p> <p>(b) All material information relevant to a decision on whether or not to elect or re-elect a Director will be provided to shareholders in a Notice of Meeting pursuant to which the resolution to elect or re-elect such Director will be voted on.</p>
<p><b>Recommendation 1.3</b> A listed entity should have a written agreement with each director and senior executive setting out the terms of their appointment.</p>	YES	<p>The Company has written agreements (in accordance with the Board Charter) with each Director and the Managing Director setting out the terms of their appointment.</p>

Principles and Recommendations	Comply (Yes/No)	Explanation
<p><b>Recommendation 1.4</b></p> <p>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.</p>	YES	<p>The Board Charter outlines the role, responsibility and accountability of the Company Secretary. The Company Secretary is accountable directly to the Board, through the Chair, on all matters relating to the proper functioning of the Board.</p>
<p><b>Recommendation 1.5</b></p> <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;</p> <p>(i) to set measurable objectives for achieving gender diversity; and</p> <p>(ii) 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:</p> <p>(i) 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.</p> <p>(ii) either:</p> <p>(A) the respective portions 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>(B) if the entity is a "relevant employer" under the Workplace Gender Equality Act, the entity's most recent "Gender Equality Indicators", as defined in the Workplace Gender Equality Act 2012.</p>	NO	<p>The Company has not formally adopted a Diversity Policy.</p> <p>Currently the Company has only one employee and the Managing Director/Chief Executive Officer. Since the Company does not have a significant staff size, the Board as a whole is responsible for ensuring that diversity principles are considered in matters of staff selection and in ensuring that all legislation promoting gender and ethnic diversity and equal opportunity are observed. As the Company grows and staff numbers increase the Board will set measurable objectives for the promotion of diversity within its Board and staff.</p>

Principles and Recommendations	Comply (Yes/No)	Explanation
<p><b>Recommendation 1.6</b></p> <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>YES</p>	<p>The Company has a process for periodically evaluating (in accordance with the Board Charter) its Board and Director performance and annually discloses the results of that evaluation each reporting period.</p>
<p><b>Recommendation 1.7</b></p> <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>YES</p>	<p>The Company has a process for periodically evaluating (in accordance with the Board Charter) its MD/CEO performance and discloses the results of that evaluation each reporting period.</p>

Principles and Recommendations	Comply (Yes/No)	Explanation
<p><b>Recommendation 2.1</b></p> <p>The board of a listed entity should:</p> <p>(a) have a nomination committee which:</p> <ul style="list-style-type: none"> <li>(i) has at least three members, a majority of whom are independent directors; and</li> <li>(ii) is chaired by an independent director and disclose: <ul style="list-style-type: none"> <li>(iii) the charter of the committee;</li> <li>(iv) the members of the committee; and</li> <li>(v) as at the end of each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or</li> </ul> </li> </ul> <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, experience, independence and knowledge of the entity to enable it to discharge its duties</p>	<p>NO</p>	<p>A nomination committee has not been formed under recommendation 2.1. The Board as a whole considers the composition of the Board and appointment of new Directors, including the mix of skills, knowledge and experience required for the proper function of the Board. The Board identifies suitable candidates to fill vacancies as they arise.</p> <p>If the Company's activities increase in size, nature and scope, the size of the Board will be reviewed periodically to determine if a Nomination Committee is required for the Board to properly perform its responsibilities and functions.</p> <p>The membership of the Board, its activities and composition is subject to periodic review. The criteria for determining the identification and appointment of a suitable candidate for the Board includes quality of the individual, background of experience and achievement, compatibility with other Board members, credibility within the Company's scope of activities, intellectual ability to contribute to the Board duties and physical ability to undertake the Board duties and responsibilities.</p> <p>Directors are initially appointed by the full Board subject to election by shareholders at the next general meeting. Under the Company's Constitution the tenure of Directors (other than Managing Director, and only one Managing Director where the position is jointly held) is subject to reappointment by shareholders not later than the third anniversary following his or her last appointment. Subject to the requirements of the Corporations Act 2001 (Cth), the Board does not subscribe to the principle of a compulsory retirement age and there is no maximum period of service as a Director. A Managing Director may be appointed for any period and on any terms the Directors think fit and, subject to the terms of any agreement entered into, the Board may revoke this appointment according to the terms of this agreement.</p>
<p><b>Recommendation 2.2</b></p> <p>A listed entity should have and disclose a board skill matrix setting out the mix of skills and diversity that the board currently has or is looking to achieve in its membership.</p>	<p>YES</p>	<p>The Board is required to prepare a Board skill matrix setting out the mix of skills and diversity that the Board currently has (or is looking to achieve). The composition of the Board is to be reviewed regularly against the Company's Board skill matrix to ensure the appropriate mix of skills and expertise is present to facilitate successful strategic direction. The Company has disclosed the Board skill matrix within its Annual Reports.</p>

Principles and Recommendations	Comply (Yes/No)	Explanation
<p><b>Recommendation 2.3</b></p> <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 of the ASX Corporate Governance Principles and Recommendation (3rd Edition), 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>YES</p>	<p>(a) The name of directors has been disclosed at <a href="http://www.globalpetroleum.com.au">www.globalpetroleum.com.au</a>. Current independent directors are Mr John van der Welle, Mr Andrew Draffin and Mr Garrick Higgins.</p> <p>(a) The Board Charter requires Directors to disclose their interest, positions, associations and relationships and requires that the independence of Directors is regularly assessed by the Board in light of the interest disclosed by Directors.</p> <p>(c) The length of services of each Director has been disclosed at <a href="http://www.globalpetroleum.com.au">www.globalpetroleum.com.au</a></p>
<p><b>Recommendation 2.4</b></p> <p>A majority of the board of a listed entity should be independent directors.</p>	<p>NO</p>	<p>Given the relative size of the Company, the interests of the shareholders represented on the Board and the stage of its development, the Directors consider the current Board composition as appropriate. The situation will be monitored and changed in line with best practice as and when the Directors feel the company is of sufficient size.</p> <p>The Company will seek to appoint additional independent Directors in the future to address the current imbalance.</p>
<p><b>Recommendation 2.5</b></p> <p>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>YES</p>	<p>The Company has separate roles of Non-executive Chairman and Managing Director/CEO. The Company's Chairman is a Non-executive Chairman and as such is an independent director.</p>



Principles and Recommendations	Comply (Yes/No)	Explanation
<p><b>Recommendation 2.6</b></p> <p>A listed entity should have a program for inducting new directors and providing appropriate professional development opportunities for continuing directors to develop and maintain the skills and knowledge needed to perform their role as a director effectively.</p>	<p>YES</p>	<p>The Board considers that its Directors are suitably qualified and experienced to fulfil their roles, and that the Board possesses the correct mix of skills for the Board to be able to carry out its function effectively. The Board has in place systems and procedures to ensure Directors receive continuing education to ensure they are up to date with their responsibilities as Directors and carry out the work of their roles effectively and efficiently.</p> <p>The Board has determined that individual Directors have the right in connection with their duties and responsibilities as directors, to seek independent professional advice at the Company's expense. The engagement of an outside adviser is subject to prior approval of the Chairman and this will not be withheld unreasonably. If appropriate, any advice so received will be made available to all Board members.</p>
<p><b>Recommendation 3.1</b></p> <p>A listed entity should:</p> <p>(a) have a code of conduct for its directors, senior executives and employees; and</p> <p>(b) disclose that code or a summary of it</p>	<p>YES</p>	<p>(a) The Board has adopted a Code of Conduct for Directors to promote ethical and responsible decision-making by the Directors.</p> <p>(b) The Company's Code of Conduct is available at <a href="http://www.globalpetroleum.com.au">www.globalpetroleum.com.au</a>.</p>

**Principles and Recommendations**

**Comply  
(Yes/No)**

**Explanation**

Principles and Recommendations	Comply (Yes/No)	Explanation
<p><b>Recommendation 4.1</b></p> <p>The board of a listed entity should:</p> <p>(a) have an audit committee which:</p> <ul style="list-style-type: none"> <li>(i) has at least three members, a majority of whom are independent directors; and</li> <li>(ii) is chaired by an independent director, who is not the chair of the board, and disclose:</li> <li>(iii) the charter of the committee;</li> <li>(iv) the relevant qualifications and experience of the members of the committee; and</li> <li>(v) 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</li> </ul> <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 financial reporting, including the processes for the appointing and removal of the external auditor and the rotation of the external auditor.</p>	<p>NO</p>	<p>The Board considers that the Company is not currently of a size, nor are its affairs of such complexity to justify the formation of separate Audit Committee at this time. The Board as a whole is able to address the audit, risk and other governance aspects of the full scope of the Company's activities and to ensure that it adheres to appropriate ethical standards.</p> <p>The full Board currently holds meetings at such times as may be necessary to address any general or specific matters as required.</p> <p>If the Company's activities increase in size, scope and nature, the appointment of a separate Audit Committee will be reviewed by the Board and implemented if appropriate.</p>
<p><b>Recommendation 4.2</b></p> <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 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>YES</p>	<p>The Board receives a written declaration in accordance with Section 295A of the Corporations Act 2001 from the Chief Executive Officer (CEO) and the Chief Financial Officer (CFO) that to the best of their knowledge and belief that financial records have been properly maintained, the financial statements comply with the accounting standards, give a true and fair view of the financial position based on sound risk management, and that internal controls are operating effectively.</p> <p>The Board notes that due to its nature, internal control assurance from the CEO and CFO can only be reasonable rather than absolute. This is due to such factors as the need for judgement, the use of testing on a sample basis, the inherent limitations in internal control and because much of the evidence available is persuasive rather than conclusive and therefore is not and cannot be designed to detect all weaknesses in control procedures.</p>

Principles and Recommendations	Comply (Yes/No)	Explanation
<p><b>Recommendation 4.3</b></p> <p>A listed entity that has an AGM should ensure that its external auditor attends its AGM and is available to answer questions from shareholders relevant to the Annual Report.</p>	YES	<p>The Company has in place a procedure whereby it ensures that its external auditor attends its AGM, in accordance with the requirements of Section 250RA of the Corporations Act 2001 (Cth) and is available to answer questions relevant to the audit.</p>
<p><b>Recommendation 5.1</b></p> <p>A listed entity should:</p> <p>(a) have a written policy for complying with its continuous disclosure obligations under the Listing Rules; and</p> <p>(b) disclose that policy or a summary of it</p>	YES	<p>(a) The Company has adopted a Continuous Disclosure Policy' which documents the Company's disclosure requirements as required by the ASX Listing Rules and other relevant legislation.</p> <p>(b) The Continuous Disclosure Policy is available at <a href="http://www.globalpetroleum.com.au">www.globalpetroleum.com.au</a></p>
<p><b>Recommendation 6.1</b></p> <p>A listed entity should provide information about itself and its governance to investors via its website.</p>	YES	<p>Information about the Company and its governance are available at <a href="http://www.globalpetroleum.com.au">www.globalpetroleum.com.au</a></p>
<p><b>Recommendation 6.2</b></p> <p>A listed entity should design and implement an investor relations program to facilitate effective two-way communication with investors.</p>	YES	<p>The Company has in place a key investor relations program that aims to facilitate effective two-way communication with investors. This program's design and implementation is periodically reviewed by the Board. The program involves:</p> <ul style="list-style-type: none"> <li>- regular meetings with key existing and potential shareholders, institutional investors, brokers, fund managers and industry analysts; and</li> <li>- regular presentations to these key stakeholders on the Company's activities and on its industry outlook. Those presentations are released to the ASX prior to or contemporaneously with the giving of those presentations in accordance with the ASX Listing Rules and the Company's Continuous Disclosure Policy.</li> </ul>
<p><b>Recommendation 6.3</b></p> <p>A listed entity should disclose the policies and processes it has in place to facilitate and encourage participation at meetings of shareholders.</p>	YES	<p>The Board encourages full participation of shareholders at the Annual General Meeting to ensure a high level of accountability and understanding of the Company's strategy and goals.</p>

Principles and Recommendations	Comply (Yes/No)	Explanation
<p><b>Recommendation 6.4</b></p> <p>A listed entity should give shareholders the option to receive communications from, and send communications to, the entity and its board.</p>	YES	The Company's Communications Strategy seeks to promote effective electronic communication with shareholders.
<p><b>Recommendation 7.1</b></p> <p>The board of a listed entity should:</p> <p>(a) have a committee or committees to oversee risk, each of which:</p> <ul style="list-style-type: none"> <li>(i) has at least three members, a majority of whom are independent directors; and</li> <li>(ii) is chaired by an independent director, and disclose:</li> <li>(iii) the charter of the committee;</li> <li>(iv) the members of the committee; and</li> <li>(v) as at the end of each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or</li> </ul> <p>(b) if it does not have a risk committee or committees that satisfy (a) above, disclose that fact and the process it employs for overseeing the entity's risk management framework.</p>	NO	<p>The Board considers that the Company is not currently of a size, nor are its affairs of such complexity to justify the formation of separate Risk Committee at this time. The Board as a whole is able to address the audit, risk and other governance aspects of the full scope of the Company's activities and to ensure that it adheres to appropriate ethical standards.</p> <p>The full Board currently holds meetings at such times as may be necessary to address any general or specific matters as required.</p> <p>If the Company's activities increase in size, scope and nature, the appointment of a separate Risk Committee will be reviewed by the Board and implemented if appropriate.</p>
<p><b>Recommendation 7.2</b></p> <p>The board or a committee of the board should:</p> <p>(a) review the entity's risk management framework with management at least annually to satisfy itself that it continues to be sound, to determine whether there have been any changes in the material business risks the entity faces and to ensure that they remain within the risk appetite set by the board; and</p> <p>(b) disclose in relation to each reporting period, whether such a review has taken place.</p>	YES	<p>(a) The Company has a series of risks which the Company believes to be inherent in the industry in which the Company operates. The Board has established a framework for management of the Company including a system of internal controls, a business risk management process and establishment of appropriate ethical standards.</p> <p>(b) Company's risks are reviewed at least annually as part of the annual strategic planning, business planning, forecast and budgeting process.</p>

Principles and Recommendations	Comply (Yes/No)	Explanation
<p><b>Recommendation 7.3</b></p> <p>A listed entity should disclose:</p> <p>(a) if it has an internal audit function, how the function is structured and what role it performs; or</p> <p>(b) if it does not have an internal audit function, that fact and the processes it employs for evaluating and continually improving the effectiveness of its risk management and internal control process.</p>	YES	<p>Due to the magnitude of the Company's operations, the Company does not currently have an internal audit function.</p> <p>The full Board has reviewed the current internal controls in place and has deemed them sufficient after consultation with the Company's external auditors.</p>
<p><b>Recommendation 7.4</b></p> <p>A listed entity should disclose whether, and if so how, it has regard to economic, environmental and social sustainability risks and, if it does, how it manages or intends to manage those risks.</p>	YES	<p>The Company's performance is subject to economic and market conditions which impact the oil and gas sector. The Company's operations are subject to various environmental laws and regulations under relevant government's legislation.</p> <p>The Company's Risk Management Policy incorporates these risks into a formal risk profile prepared by Management to keep the Board informed about risks of this nature facing the Company. This risk profile is reviewed and updated at least annually.</p>
<p><b>Recommendation 8.1</b></p> <p>The board of a listed entity should:</p> <p>(a) have a remuneration committee which:</p> <p>(i) has at least three members, a majority of whom are independent directors; and</p> <p>(ii) is chaired by an independent director; and disclose:</p> <p>(iii) the charter of the committee;</p> <p>(iv) the members of the committee; and</p> <p>(v) as at the end of each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or</p> <p>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.</p>	NO	<p>The Company does not have a dedicated Remuneration Committee but rather the task of ensuring that the level of director and executive remuneration is appropriate and not excessive, and that its relationship to performance is clear, is dealt with by the full Board.</p>

Principles and Recommendations	Comply (Yes/No)	Explanation
<p><b>Recommendation 8.2</b></p> <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 and ensure that the different roles and responsibilities of non-executive directors compared to executive directors and other senior executives are reflected in the level and composition of their remuneration.</p>	<p>YES</p>	<p>The Board Charter sets out the Company's policies and practices regarding the remuneration of non-executive and executive directors and other senior executives</p> <p>The Company discloses its policies and practices regarding the remuneration of non-executive and executive directors and other senior employees within its Annual Financial Report.</p>
<p><b>Recommendation 8.3</b></p> <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>YES</p>	<p>Senior executives and Directors are prohibited from entering into transactions in associated products (such as derivatives or contracts for differences) which limit the economic risk of participating in unvested entitlements under any equity based remuneration packages, such as options and employee incentive rights.</p>