



ABN 80 112 893 491

## CORPORATE GOVERNANCE STATEMENT

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### Introduction

The Board is responsible for the corporate governance of the Company. The major processes by which the Board fulfils those responsibilities are described in this statement.

The Board considers that except to the extent expressly indicated in this statement, those corporate governance practices comply with the ASX Corporate Governance Council's Corporate Governance Principles and Recommendations with 3<sup>rd</sup> Edition 2015 Amendments. Also, except to the extent expressly indicated in this statement, those practices were followed throughout the year.

A copy of the Corporate Governance Statement, the Audit and Risk Management Committee Charter and the Company's Code of Conduct are available in the corporate governance section of the Company's website at [www.globaloilandgas.com.au](http://www.globaloilandgas.com.au) together with other information which the ASX Corporate Governance Council's recommends be made publicly available.

### ***Corporate Governance Council Recommendation 1 Lay Solid Foundations for Management and Oversight***

#### **1.1 Role of the Board of Directors**

The Board has responsibility for protecting the rights and interests of Shareholders and is responsible for the overall direction, monitoring and governance of the Group.

The Board is responsible for the overall corporate governance of the Group and its subsidiaries. Responsibilities and Functions of the Board are set out under the Board Charter [www.globaloilandgas.com.au](http://www.globaloilandgas.com.au) and include:

- i. setting the strategic direction of the Group, establishing goals to ensure that the strategic objectives are met and monitoring the performance of management against these goals and objectives;
- ii. ensuring that there are adequate resources available to meet the Group's objectives;
- iii. appointing the Managing Director, evaluating the performance and determining the remuneration of senior executives, and ensuring that appropriate policies and procedures are in place for recruitment, training, remuneration and succession planning;
- iv. evaluating the performance of the Board and its Directors on an annual basis;
- v. determining remuneration levels of Directors;
- vi. approving and monitoring financial reporting and capital management;
- vii. approving and monitoring the progress of business objectives;
- viii. ensuring that any necessary statutory licences are held and compliance measures are maintained to ensure compliance with the law and licence(s);
- ix. ensuring that adequate risk management procedures exist and are being used;
- x. ensuring that the Group has appropriate corporate governance structures in place, including standards of ethical behaviors and a culture of corporate and social responsibility;
- xi. ensuring that the Board is and remains appropriately skilled to meet the changing needs of the Group;
- xii. ensuring procedures are in place for ensuring the Group's compliance with the law; and financial and audit responsibilities, including the appointment of an external auditor and reviewing the financial statements, accounting policies and management processes.

In complying with Recommendation 1.1 of the Corporate Governance Council, the Company has adopted a Board Charter which clarifies the respective roles of the Board and senior management and assists in decision making processes.

1.2 The board complies with this recommendation and undertakes appropriate checks and discloses all relevant information

1.3 All Directors and senior executives have a written agreement upon appointment.

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1.4 Company Secretary is directly accountable to the Board through the chair.

### 1.5 Diversity Policy

The Board has adopted a diversity policy that considers the benefits of diversity, ways to promote a culture of diversity, factors to be taken into account in the selection process of candidates for Board and senior management positions in the Company, education programs to develop skills and experience in preparation for Board and senior management positions, processes to include review measurable diversity performance objectives for the Board, Managing Director and senior management.

The following table provides a break-up of the gender diversity in the organisation.

	Number %	
Number of women employees in the whole organisation	1	20%
Number of women in senior executive positions	0	0%
Number of women on the Board	0	0%

### 1.6 and 1.7 Evaluation of Board Performance and Senior Executives

The Company does not have a formal process for the evaluation of the performance of the Board and senior executives, and as such does not comply with Recommendation 1.6 and 1.7 of the Corporate Governance Council. The Board is of the opinion that the competitive environment in which the Company operates will effectively provide a measure of the performance of the Directors. In addition, the Chairman assesses the performance of the Board and key executives on an informal basis.

### **Corporate Governance Council Recommendation 2** **Structure the Board to be effective and add value**

#### 2.1 Board Composition

The relevant provisions in the Constitution and the Corporations Act determine the terms and conditions relating to the appointment and termination of Directors. All Directors, other than the Managing Director, are subject to re-election every three years.

The Board does not have a separate Nomination Committee and as such does not comply with Recommendation 2.1 of the Corporate Governance Council. The Board believes that given the size of the Group and the stage of its development a separate nomination committee is not warranted at this time. Any changes to Directorships will, for the foreseeable future, be considered by the full Board subject to any applicable laws. Identification of potential Board candidates includes consideration of the skills, experience, personal attributes and capability to devote the necessary time and commitment to the role.

#### Board Processes

An agenda for the meetings has been determined to ensure certain standing information is addressed and other items which are relevant to reporting deadlines and or regular review are scheduled when appropriate. The agenda is regularly reviewed by the Chairman and the Company Secretary.

**2.2** The Constitution requires a minimum number of three Directors. The maximum number of Directors is fixed by the Board but may not be more than 9, unless the members of the Company, in general meeting, resolve otherwise. The skills, experience and expertise of all Directors is set out in the Directors' section of the Company's website.

The Board considers, however, that given the size and scope of the Group's operations at present, it is appropriately structured to discharge its duties in a manner that is in the best interests of the Group and its Shareholders from both a long-term strategic and operational perspective. The Board Skills Matrix has not been formalised as at the date of this Corporate Governance Statement.



ABN 80 112 893 491

**2.3, 2.4 and 2.5** The Board consists of Mr. Christopher Zielinski, Non-executive Chairman (appointed 10 August 2018), Mr. Patric Glovac recently appointed as Executive Director (previously non-executive director since 10 August 2018), Mr. Troy Hayden, non-executive Director (appointed 11 March 2020) and Mr. Richard Barker, non-executive director (appointed 6 November 2020). Three of the four Board members including the Chairman of the Company are considered independent.

The entire Board is considered independent and comply with Recommendation 2.3, 2.4 and 2.5

**2.6** The Company has a program for inducting new Directors.

All Directors are encouraged to attend professional education courses relevant to their roles.

Each Director had the right to access all relevant information in respect of the Group and to make appropriate enquiries of senior management. Each Director had the right to seek independent professional advice at the Group's expense, subject to the prior approval of the Chairman, which shall not be unreasonably withheld.

***Corporate Governance Council Recommendation 3***

***Instil a culture of acting lawfully, ethically and responsibly***

The Board actively promotes ethical and responsible decision making.

**3.1 and 3.2 Code of Conduct**

The Board had adopted a Code of Conduct that applies to all employees, executives and Directors of the Group, and as such complies with Recommendation 3.1 and 3.2 of the Corporate Governance Council. This Code addresses expectations for conduct in accordance with legal requirements and agreed ethical standards.

**3.3 Whistleblower Policy**

The Board has adopted a Whistleblower Policy which is available on the Company's website.

**3.4 Anti-bribery and corruption policy**

The Board has not as yet adopted an anti-bribery and corruption policy.

***Corporate Governance Council Recommendation 4***

***Safeguard the Integrity in Corporate Reports***

**4.1, 4.2 and 4.3 Audit Committee**

The Board does not have a separate Audit Committee with a composition as suggested by Recommendations 4.1, 4.2 and 4.3 of the Corporate Governance Council. The full Board carries out the function of an audit committee. The Board believes that the Group is not of a sufficient size to warrant a separate committee and that the full Board is able to meet objectives of the best practice recommendations and discharge its duties in this area. The relevant experience of Board members is detailed in the Directors' section of the Directors' Report. The board receives declarations for CEO & CFO in accordance with S.295A of corporations' act before approving financial statements.

The Company's auditor attends Annual General Meetings.

**Financial Reporting**

The Board relies on senior executives to monitor the internal controls within the Group. Financial performance is monitored on a regular basis by the Board at the scheduled Board meetings.

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**Corporate Governance Council Recommendation 5**

**Make Timely and Balanced Disclosure**

**5.1, 5.2 and 5.3 Continuous Disclosure**

The Board places a high priority on communication with Shareholders and is aware of the obligations it has, under the Corporations Act and ASX Listing Rules, to keep the market fully informed of information which is not generally available, and which may have a material effect on the price or value of the Company's securities.

The Company has adopted policies which establish procedures to ensure that Directors and management are aware of and fulfill their obligations in relation to the timely disclosure of material price sensitive information.

Continuous disclosure is discussed at all regular Board meetings and on an ongoing basis the Board ensures that all activities are reviewed with a view to the necessity for disclosure to security holders.

5.2 Board receives copies of all material market announcements prior to release.

5.3 Substantive or new investor presentations are released on the ASX Platform ahead of any presentations.

**Corporate Governance Council Recommendation 6**

**Respect the Rights of Security Holders**

**6.1, 6.2, and 6.3 - Communications**

The Board fully supports security holder participation at general meetings as well as ensuring that communications with security holders are effective and clear. This has been incorporated into a formal shareholder communication strategy, in accordance with Recommendation 6.1 of the Corporate Governance Council.

In addition to electronic communication via the ASX website, the Company publishes all significant announcements together with all quarterly reports. These documents are available in both hardcopy on request and on the Company website at [www.globaloilandgas.com.au](http://www.globaloilandgas.com.au)

Shareholders are able to pose questions on the audit process and the financial statements directly to the independent auditor who attends the Company's Annual General Meeting for that purpose.

6.2 Investors are able to communicate to the Company via the Company website

6.3 The Company encourages shareholder participation at General and Annual General Meetings. The Company's share registry is responsible for mailing out Notice of Meeting documents directly to shareholders. Shareholders who subscribe to email alerts will additionally receive an email notification of all meetings and ASX announcements.

6.4 All substantive resolutions at a shareholders meeting are decided by poll.

6.5 Shareholders have the opportunity to send electronic communications to the Company and the Company's share registry using the contact details listed on the Company's website.

**Corporate Governance Council Recommendation 7**

**Recognise and Manage Risk**

**7.1 Risk Management Policy**

The Board has adopted a risk management policy that sets out a framework for a system of risk management and internal compliance and control. Due to the small size of the Company the Board takes responsibility for risk management, therefore complying with Recommendation 7.1 of the Corporate Governance Council. The Board is responsible for supervising management's framework of control and accountability systems to enable risk to be assessed and managed.



ABN 80 112 893 491

The Group's risk management strategy is evolving and will be an ongoing process and it is recognised that the level and extent of the strategy will develop with the growth and change in the Group's activities.

### **7.2 Risk Reporting**

As the Board has responsibility for the monitoring of risk management it has not required a formal report regarding the material risks and whether those risks are managed effectively therefore not complying with Recommendation 7.2 of the Corporate Governance Council. The Board believes that the Group is currently effectively communicating its significant and material risks to the Board and its affairs are not of sufficient complexity to justify the implementation of a more formal system for identifying, assessing, monitoring and managing risk in the Company.

### **7.3 Internal audit function**

The entity does not have an internal audit function as the Board does not consider it necessary due to the size of the company. The Board continually assess, evaluate and where necessary improve the effectiveness of its risk management and internal control processes

### **7.4 Risk.**

The Company is not subject to any particular or significant single economic, environmental and social sustainability risk. The Company is subject to a range of general economic risks, including macro-economic risks, government policy, general business conditions, changes in technology and many other factors. The Board does not believe the Company has any material exposure to economic and social sustainability risks at the present time.

## ***Corporate Governance Council Recommendation 8 Remunerate Fairly and Responsibly***

### **8.1 and 8.2 Remuneration Committee**

The Board has not created a separate Remuneration Committee and as such does not comply with Recommendation 8.1 of the Corporate Governance Council. The Board considers that the Group is not currently of a size, nor are its affairs of such complexity to justify a separate Remuneration Committee.

Executive Directors, non-executive Director receive fees agreed on an annual basis by the Board and may include performance based components designed to reward and motivate. Further information on Directors remuneration including principles used to determine remuneration is set out in the Directors Report under the heading Remuneration Report found in the company's Annual Report.

The full Board determines all compensation arrangements for Directors. It is also responsible for setting performance criteria, performance monitors, share option schemes, incentive performance schemes, superannuation entitlements, retirement and termination entitlements and professional indemnity and liability insurance cover.

The Board ensures that all matters of remuneration will continue to be in accordance with the Corporations Act requirements.

### **8.3 Equity based remuneration**

The Company currently does not have an equity- based remuneration scheme. This will be implemented when required.

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