



2021 Corporate Governance Statement

The Board and management of Emperor Energy Limited ACN 006 024 764 (“EMP” or the “Company”) recognise their duties and obligations to shareholders and other stakeholders to implement and maintain a proper system of corporate governance. EMP believes that good corporate governance helps ensure the future sustainability of the Company, adds value to stakeholders and enhances investor confidence.

The ASX Listing Rules require listed companies to prepare a statement disclosing the extent to which they have complied with the recommendations of the ASX Corporate Governance Council (“ASX Recommendations”) in the reporting period. The Recommendations are guidelines designed to improve the efficiency, quality and integrity of the Company. They are not prescriptive, so that if a company considers a recommendation to be inappropriate having regard to its own circumstances, it has the flexibility not to follow it. Where a company has not followed all the Recommendations, it must identify which Recommendations have not been followed and give reasons for not following them.

This Corporate Governance Statement (“Statement”) sets out a description of the Company’s main corporate practices and provides details of the Company’s compliance with the Recommendations, or where appropriate, indicates a departure from the Recommendations with an explanation.

This Statement is current as at 30 September 2021 and has been approved by the Board of Directors of EMP. The statement, with the supplementary policies and charters, are available on the Company’s website (<http://www.emperorenergy.com.au>).

PRINCIPLE 1: LAY SOLID FOUNDATIONS FOR MANAGEMENT AND OVERSIGHT

RECOMMENDATION 1.1 - ROLE OF THE BOARD AND MANAGEMENT

The role of the Board is to act in the best interests of the Company as a whole and it is accountable to shareholders to guide the overall strategy, culture, governance and performance of the Company, working with and through the Chief Executive and management team. The Board aims to protect and enhance the interests of its shareholders, while considering the interests of other stakeholders, including employees, customers, suppliers, and the wider community.

The Board has a formal Board Charter which is available on the Company's website at <http://www.emperorenergy.com.au> that clearly sets out those matters expressly reserved for the Board's determination and those matters delegated to management.

The Board delegates responsibility for the day-to-day management of the Company and its business to the management team. The Board maintains ultimate responsibility for strategy, control, and risk profile of the Group.

RECOMMENDATION 1.2 - APPOINTMENT OF DIRECTORS

The Board has procedures for the selection and appointment of new directors and the re-election of incumbent directors.

Selected candidates for Board positions undergo appropriate background checks before being appointed to the Board. Any Director appointed during the year to fill a casual vacancy or as an addition to the existing Directors must stand for election at the next Annual General Meeting ("AGM").

A regular assessment is made of the current qualifications, skills, and experience of the directors, as well as the skills, experience and expertise needed to deal with current and emerging issues of the business and to effectively review and challenge the performance of management and exercise independent judgement.

We provide our shareholders with all material information in our possession that is relevant to their decision on whether or not to elect or re-elect a Director through a number of channels, including via the notice of meeting and other information contained in the 2021 Annual Report.

RECOMMENDATION 1.3 - APPOINTMENT TERMS

Non-Executive Directors have a written agreement with the Company setting out the terms of their appointment as directors. Due to the company size, it has no executive contracts.

The company discloses all terms in the Company's Annual Remuneration Report in the 2021 Annual Report.

RECOMMENDATION 1.4 - COMPANY SECRETARY

The Company Secretary is accountable directly to the Board, though the Chair, on all matters to do with the proper functioning of the Board. The Company Secretary's role includes advising the board and its committees on governance matters; monitoring that board and committee policy and procedures are followed; coordinating the timely completion and dispatch of board and committee papers; ensuring that the business at board and committee meetings is accurately captured in the minutes; and helping to organise and facilitate the induction and professional development of directors.

All Directors have unfettered access to the Company Secretary and the appointment and removal of the Company Secretary must be made or approved by the Board.

Details regarding our Company Secretary, including experience and qualifications, is set out in the Directors' Report in our 2021 Annual Report.

RECOMMENDATION 1.5 – DIVERSITY POLICY

EMP recognises the benefits of diversity of gender, age, experience, relationships and background. The Company's Diversity Policy is available on the EMP website (<http://www.emperorenergy.com.au>).

The proportion of women on the Board, in senior executive positions and women across the entire organisation as at 30 June 2021 was as follows:

- Women on the Board – 0%
- Women in senior executive positions – 0%
- Women across the entire organisation – 0%

The measurable objectives set by the Board for achieving gender diversity include:

- adopting a Company wide Diversity policy
- disclosing the policy in the corporate governance section on the Company's website; and
- tracking and reporting on the percentages of women employed by the Company as a whole, in senior management positions and on the Board.

RECOMMENDATION 1.6 - BOARD PERFORMANCE ASSESSMENT

The Board is committed to formally evaluating its performance, the performance of its committees and individual Directors, as well as the governance processes supporting the Board. The Board does this through an annual assessment process which the Board feels is appropriate given the structure and size of the Company, unless determined otherwise.

An internal Board assessment took place in 2021, concluding the Board is functioning effectively. The Board are committed to their roles and each Board member is dedicated to proactively support the Company and its stakeholders.

RECOMMENDATION 1.7 - SENIOR EXECUTIVE PERFORMANCE ASSESSMENT

Due to the company size, it has no executive contracts. No assessment is required.

PRINCIPLE 2: STRUCTURE THE BOARD TO ADD VALUE

RECOMMENDATION 2.1 – NOMINATION COMMITTEE

Due to the size of the company the Board are responsible for the Remuneration and Nominations. Nigel Harvey as an independent director is responsible for Remuneration and Nominations.

All directors have relevant experience as shown in their biographies in the Directors Report and details of meetings held by the Committee during the year and member attendances are set out in the 2021 Directors' Report.

The Remuneration and Nomination Charter which was last reviewed during this reporting period is available on the EMP website (<http://www.emperorenergy.com.au>).

The primary function of the Remuneration and Nomination Charter is to:

- review director competence standards;
- review Board succession plans;
- evaluate the Board's performance;
- make recommendations for the appointment and removal of directors to the Board; and
- make recommendations to the Board on recruitment, retention and termination policies for senior management.

RECOMMENDATION 2.2 – BOARD SKILLS MATRIX

The Company's objective is to have an appropriate mix of expertise and experience on the Board so that it can effectively discharge its corporate governance and oversight responsibilities. It is the Board's view that the current Directors possess an appropriate mix of relevant skills, experience, expertise and diversity to enable the Board to discharge its responsibilities and deliver the Company's strategic objectives. This mix is subject to review on a biennial basis as part of the Board's performance review process.

The skills and experience represented in the Board and relevant to the Company's business are set out in the matrix below and following the Company's June 2021 performance and skills review, it is satisfied that it meets expectations in all these categories:

Skills and experience	
Risk & Compliance	Executive Management
Financial & Audit	Oil & Gas Industry Experience
ASX Governance	Project Evaluation
Strategy & Leadership	Stakeholder Engagement
Business Operations	Leadership
Policy Development	Ethics & Integrity
Capital Markets	Negotiation
People & Performance	Critical Thinking & Crisis Management
Corporate Governance	Safety & Social Responsibility
Legal & Regulatory	People & Performance
Technology	Project Evaluation
Oil & Gas Industry Experience	Corporate History
Previous Board Experience	

To the extent that any skills are not directly represented on the Board, they are augmented through management and external advisors. Full details of each Directors' relevant skills and experience are set out in the Company's 2021 Annual Report.

RECOMMENDATION 2.3 – INDEPENDENT DIRECTORS

An independent director is a non-executive director who is not a member 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 independent exercise of judgement.

The Board regularly assesses the independence of each Non-Executive Director in light of the information which each Director is required to disclose in relation to any material contract or other relationship with the Company in accordance with the director's terms of appointment, the Corporations Act 2001, and the Board Charter.

When appointing an independent director or reviewing the independence of its Directors, the Board will have regard to the definition of independent director and the factors set out in the Recommendations, in particular the factors relevant to assessing the independence of a director set out in Recommendation 2.3.

The Board has one independent director, Nigel Harvey (Non-Executive Director).

Carl Dumbrell & Phil McNamara are considered by the Board to not be independent on the basis that they are involved in management of the company and hold substantial shareholdings in the Company.

The Board considers the Non-executive Directors to be independent having regard to the indicia in Box 2.3 in the ASX Recommendations. The Board has considered the holdings of shares in the Company by these Non-Executive directors and is of the opinion that their respective interests in shares would not materially interfere with, or could be reasonably perceived to interfere with, the independent exercise of their judgement in their position as a Director. The Board also considers that they are otherwise free from any business or other relationship that could materially interfere with, or reasonably be perceived to interfere with, the independent exercise of their judgement, and that each of these Directors is able to fulfil the role of independent Director for the purposes of the ASX Recommendations.

The Board's assessment of each current Director is set out below.

Name	Position	Appointment date	Status
Carl Dumbrell	Non-Executive Director	3 July 2015	Non-Independent
Phil McNamara	Non-Executive Director	1 April 2019	Non-Independent
Nigel Harvey	Non-Executive Director	1 April 2019	Independent

RECOMMENDATION 2.4 – MAJORITY INDEPENDENCE

As at the date of this Statement, one of our three Directors are deemed independent. While the Company will aim to have an appropriate contingent of independent non-executive Directors from time to time, it is not currently and may not in the future be practicable to have majority of the Directors made up of independent directors. In considering the appropriate make up of the Directors from time to time, account will be given to, among other things, whether or not the Company has at the time a shareholder that holds a majority of the shares in the Company.

Although the composition of our Board does not comply with Recommendation 2.4, the current Board composition reflects an appropriate balance of skills, expertise and experience to fulfil its obligations to act in the best interests of the Company and all stakeholders.

The Board also considers that there are appropriate safeguards in place including policies and protocols to ensure independent thought and decision making.

RECOMMENDATION 2.5 – INDEPENDENT CHAIR

The Chairman, Carl Dumbrell is considered not to be an independent Non-Executive Director. The Board is of the view that during this period, Carl Dumbrell has and continues to exercise independent judgement and has acted in the best interest of the Company and its shareholders at all times.

RECOMMENDATION 2.6 – INDUCTION, EDUCATION AND TRAINING

New directors are provided with copies of all relevant documents and policies governing the Company's business, operations and management, at the time of joining the Board. The Company is able to provide appropriate professional development opportunities for directors to assist in their roles. Directors are also encouraged to personally undertake appropriate training and refresher courses conducted by the Australian Institute of Company Directors.

PRINCIPLE 3: ACT ETHICALLY AND RESPONSIBLY

RECOMMENDATION 3.1 – STATEMENT OF VALUES

The Company's values are the guiding principles and norms that define what type of organisation it aspires to be and what it requires from its directors, employees, and related parties and are noted as follows:

CORE VALUES

- **Safety:** We will demonstrate a commitment to safety by promoting safe practices and behaviours;
- **Integrity:** We are open, honest and transparent and act with integrity and fairness in all our dealings;
- **Respect:** We respect and recognise team members, stakeholders and partners and their role in our business. We will treat one another with dignity and understanding;
- **Passion:** We are proud to be part of a team that is passionate about doing our best and making a positive contribution each day.

The Board are responsible for instilling these values across the organisation and our values statements for each value are outlined on the Company's website.

RECOMMENDATION 3.2 – CODE OF CONDUCT

As part of the Board's commitment to corporate governance, the Company has adopted a Code of Conduct to guide Directors and Officers in carrying out their duties and responsibilities. The Code of Conduct outlines the obligations incumbent upon each director and officer, including compliance with all corporate governance practices and documents approved by the Board from time to time.

The Code of Conduct is available on the Company's website (<http://www.emperorenergy.com.au>).

The key aspects of this code are to:

- act fairly with honesty and integrity in the best interests of the Company and in the reasonable expectations of shareholders;
- act in accordance with all applicable laws, regulations, and the Company policies and procedures; and
- have responsibility and accountability for individuals for reporting and investigating reports of unethical practices; and
- use the Company's resources and property properly.

The Code of Conduct sets out the Company's policies on various matters including ethical conduct, integrity, conflicts of interest, confidentiality and protection and proper use of assets.

RECOMMENDATION 3.3 – WHISTLEBLOWER POLICY

The Whistleblower Policy (available on the Company's website <http://www.emperorenergy.com.au>) demonstrates that the Company is committed to the highest standards of conduct and ethical behaviour in all of its business activities. The Company supports a culture of honest and ethical behaviour in ensuring good corporate compliance and governance. The policy sets out, amongst other things, instances of suspected misconduct which can be reported to the internal and external parties and summarises the protections offered to whistleblowers.

Any material breach of the Company's policies, including any breach of the Whistleblower Policy, is raised, and reviewed at Board Meetings.

RECOMMENDATION 3.4 – ANTI-BRIBERY & CORRUPTION POLICY

The Anti-Bribery and Corruption Policy demonstrates that the Company is committed to maintain high standards of integrity and accountability in conducting its business. The policy provides a framework of guidelines and principles to encourage ethical behaviour in the conduct of business.

Any material breach of the Company's policies, including any breach of the Anti-Bribery and Corruption Policy, is raised, and reviewed at Board Meetings.

The Anti-Bribery and Corruption Policy is available on the Company's website <http://www.emperorenergy.com.au>.

PRINCIPLE 4: SAFEGUARD INTEGRITY IN CORPORATE REPORTING

RECOMMENDATION 4.1 – AUDIT AND RISK COMMITTEE CHARTER

The Board is responsible for the Audit and Risk responsibilities due to the size of the company. The Board comprises three members only one of which is an independent Director, being Nigel Harvey. Carl Dumbrell and Phil McNamara are considered non-independent on the basis as outlined in Recommendation 2.3. Nigel Harvey, a non-independent director who is not the Chair of the Board is responsible for the Audit and Risk obligations in accordance with the ASX Recommendations.

All directors have relevant experience as shown in their biographies in the Directors Report.

The Audit and Risk Committee Charter (available on the EMP website <http://www.emperorenergy.com.au>) sets out the role of the Committee, which includes assisting the Board to:

- review and monitor the integrity of the Company’s financial reports and statements;
- monitor the performance and independence of the external auditor; and
- reviewing the consolidated accounts of the company.

It also has risk management and internal control functions as set out under Recommendation 6.1.

The number of meetings held and the individual attendances of the Board are disclosed in the 2021 Directors’ Report.

RECOMMENDATION 4.2 - ASSURANCES

Prior to approval of the Company’s annual financial statements, the Board obtains a declaration from the Company Secretary that, in his opinion, the financial records of the Company have been properly maintained and that the financial statements comply with appropriate accounting standards and give a true and fair view of the financial position and performance of the Company, and that the opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.

RECOMMENDATION 4.3 – VERIFICATION OF INTEGRITY OF PERIODIC CORPORATE REPORTS

The Company’s external auditor attends every AGM as required by the Corporations Act, and members are allowed a reasonable opportunity at the meeting to ask the auditor questions relevant to the audit, their report and independence, and the accounting policies adopted by the Company. The external auditor’s independence declaration is contained in the Directors’ Report in our 2021 Annual Report.

Any periodic corporate report the Company releases to the market that is not audited or reviewed by an external auditor is reviewed and approved by the Board so that it is satisfied the report in question is materially correct, balanced and provides investors with appropriate information to make an informed investment decision. Following review by the Board the report is formally approved prior to release.

PRINCIPLE 5: MAKE TIMELY AND BALANCED DISCLOSURE

RECOMMENDATION 5.1 – CONTINUOUS DISCLOSURE POLICY

The Company is committed to providing information to shareholders and to the market in a manner that is consistent with the meaning and intention of the ASX Listing Rules and the Corporations Act. To comply with these obligations, the Company has in place a Continuous Disclosure Policy and it is available on the Company's website (<http://www.emperorenergy.com.au>).

The Policy sets out the key obligations of directors and employees in relation to continuous disclosure as well as the Company's obligations under the ASX Listing Rules and the Corporations Act. The Policy also provides procedures for internal notification and external disclosure, as well as procedures for promoting understanding of compliance with the disclosure requirements.

The Board has overarching responsibility for compliance with EMP's continuous disclosure obligations and Board approval is required for certain key matters and matters may be referred to the Board for approval by the Company Secretary.

The Board is committed to the promotion of investor confidence by ensuring that trading in the Company's securities takes place in an efficient, competitive and informed market. In accordance with continuous disclosure obligations under the ASX Listing Rules, the Company has procedures in place to ensure that all price sensitive information is identified, reviewed by management and disclosed to the ASX in a timely manner. The Company website includes a link to all information disclosed to the ASX.

RECOMMENDATION 5.2 – PROVIDE BOARD WITH COPIES OF ALL MATERIAL MARKET ANNOUNCEMENTS

The Company ensures that its Board receives copies of all material market announcements prior to release to the market followed by immediate notification including announcement following each release to the market.

RECOMMENDATION 5.3 – INVESTOR PRESENTATION

In accordance with the recommendation, EMP ensures that all substantive presentations are released to the market to enable security holders the opportunity to participate in the presentation.

PRINCIPLE 6: RESPECT THE RIGHTS OF SECURITY HOLDERS

RECOMMENDATION 6.1 – INFORMATION AND GOVERNANCE

The Company website contains key information about the company and its corporate governance practices and policies, as well as biographies of the Board members and the Company Secretary.

The Company also maintains separate investor pages on its website to provide shareholders with links to annual and interim reports, ASX announcements, presentations and other key information.

RECOMMENDATION 6.2 – INVESTOR RELATIONS PROGRAM

The Company endeavours to communicate with shareholders and other stakeholders in an open, regular and timely manner so that the market has sufficient information to make informed investment decisions. The Company has established a Communications Policy for promoting effective communication with shareholders and encouraging their participation at general meetings.

Shareholder queries should be referred to the Company Secretary in the first instance.

RECOMMENDATION 6.3 – SHAREHOLDER MEETING PARTICIPATION

Shareholders are forwarded the Company's Annual Report, if requested (it is otherwise made available on the EMP website <http://www.emperorenergy.com.au>), and documents relating to each General Meeting, being the Notice of Meeting, any Explanatory Memorandum and a Proxy Form, and shareholders are invited to attend these meetings. Shareholders may elect to receive communications electronically.

The Board regards the AGM as an important opportunity to communicate with shareholders and it provides a key forum for shareholders to ask questions about the Company, its strategy and performance. At shareholder meetings, the Company will provide an opportunity for shareholders and other stakeholders to hear from and put questions to the Board, management and the external auditor of the Company.

RECOMMENDATION 6.4 – ALL SUBSTANTIVE RESOLUTIONS AT A SECURITY HOLDER MEETING ARE DECIDED BY POLL

In order to ascertain the true will of EMP's security holders attending and voting at its security holder meetings, whether they attend in person, electronically or by proxy or other representative, in most situations where this can be achieved the company will conduct the voting procedure by a poll.

RECOMMENDATION 6.5 – ELECTRONIC COMMUNICATION WITH SHAREHOLDERS

Shareholders are actively encouraged to take advantage of the benefits of electing to receive communication from the Company and its share registry electronically.

PRINCIPLE 7: RECOGNISE AND MANAGE RISK

RECOMMENDATION 7.1 – RISK COMMITTEE

The Group's risk management framework is supported by the Board of directors and management team. Further the Board review Operational Risk and Sustainability Committee (ORS). The Board is responsible for approving and review the Company's risk management strategy and policy. Management are responsible for monitoring that appropriate processes and controls are in place to effectively and efficiently manage risk.

Management, is primarily responsible for identifying, monitoring and responding to risk events and communicating them to the Board. Regular updates are provided to the Board by management on the management of material business risks.

EMP's Audit and Risk Committee also has delegated responsibilities in relation to risk management as set out in the Audit and Risk Committee Charter. Its role includes assisting the Board to:

- review and make recommendations regarding the adequacy and integrity of the Company's risk management framework and system of internal controls; and
- reviewing compliance with relevant laws and regulations.
- meet its specific governance duties with respect to the health, safety, security, sustainability and operational risk aspects of the operations of EMP, by providing oversight of these matters, having regard to law and industry best practice.

RECOMMENDATION 7.2 – RISK MANAGEMENT FRAMEWORK

EMP's risk management framework is supported by the Board of directors, management, Audit and Risk Committee. The Board is responsible for approving and reviewing the Company's risk management strategy and policy. Management are responsible for monitoring that appropriate processes and controls are in place to effectively and efficiently manage risk.

Management, responsible for identifying, monitoring and responding to risk events and communicating them to the Board. Regular updates are provided to the Board by management on the management of material business risks.

The systems of internal financial control have been determined by the Board as adequate to provide appropriate but not absolute, protection against fraud, material misstatement or loss (June 2021).

RECOMMENDATION 7.3 – INTERNAL AUDIT

The Audit and Risk Committee Charter provides for the Board to monitor the need for an internal audit function.

The Company did not have an internal audit function for the past financial year and due to the size of the Company the Board does not consider it necessary to have an internal audit function.

The Company will employ the following process for evaluating and continually improving the effectiveness of its risk management and internal control processes:

- the Audit and Risk Committee will monitor the need for an internal audit function having regard to the size, location and complexity of the Company's operations; and
- the Audit and Risk Committee will periodically undertake an internal review of financial systems and processes where systems are considered to require improvement these systems are developed.

RECOMMENDATION 7.4 – ECONOMIC, ENVIRONMENTAL AND SOCIAL SUSTAINABILITY RISK

The Board is responsible for Economic, Environmental and Social Risk. A risk register for the Company is maintained to document the risks identified. Risk is reviewed as part of the Board meetings. A risk assessment procedure is used to assess all risks when the Company is contemplating a new business venture. Should the risk profile of the Company change, the risk register will be updated to reflect this accordingly and any further controls required will be implemented.

PRINCIPLE 8: REMUNERATE FAIRLY AND RESPONSIBLY

RECOMMENDATION 8.1 – REMUNERATION AND NOMINATION COMMITTEE

The Board is responsible for Remuneration and the matters as set out in the Remuneration and Nomination Committee Charter. Its objective is to:

- assessing the size and composition of the board, having regard the objective that the board comprise directors with a broad range of skills, expertise and experience from a broad range of backgrounds, including gender;
- reviewing the performance of the board, its committees and individual non-executive directors;
- reviewing and recommending to the board candidates for election and re-election as directors in accordance with the board’s criteria; and
- annually reviewing and making recommendations about the board diversity policy.

Details of Board meetings held during the year and member attendances are set out in the 2021 Directors’ Report.

RECOMMENDATION 8.2 – REMUNERATION POLICIES AND PRACTICES

The Board is responsible for determining and reviewing remuneration policies for the directors and executives. If necessary, it obtains independent advice on the appropriateness of remuneration packages given trends in comparable companies and in accordance with the objectives of the Company.

Details of EMP’s remuneration practices for its Non-Executive Directors and Senior Executives are disclosed in the Remuneration Report in the Company’s Annual Report. The Remuneration Report highlights the balance between fixed pay, short-term incentive and long-term incentives, and includes details of the remuneration paid and the relationship to the Company’s performance.

RECOMMENDATION 8.3 – EQUITY BASED REMUNERATION SCHEME

The Company also has a Securities Trading Policy, as displayed on the Company’s website, provides that participants must not, without prior approval of the Company Secretary, entering into transactions (whether through the use of derivatives or otherwise) which limit the economic risk of participating in the scheme. The company does not have an equity-based remunerations scheme.