

Corporate Governance Statement

This statement reports on the main corporate governance practices of Cooper Energy Limited (**Company**) as at 8 October, 2018.

The directors of the Company recognise the need for high standards of corporate governance. The Company is reporting against the 3rd Edition of the ASX Corporate Governance Council's Corporate Governance Principles and Recommendations as required by ASX.

Where the Company's compliance with the Principles and Recommendations is reflected in a separate document or policy, a reference to the location of that document or policy is included in this statement.

References in this statement to "reporting period" are to the financial year ended 30 June 2018.

Principle 1 – Lay solid foundations for management and oversight

Recommendation 1.1 – comply

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.

In order to clearly articulate the responsibilities of the Board, Committees of the Board and management, the Company has adopted charters to outline the roles of each of these bodies.

The Company's Board Charter sets out (amongst other things):

- (a) the roles and responsibilities of the Board and of management;
- (b) the matters expressly reserved to the Board; and
- (c) the matters delegated to management.

A copy of the Board Charter is located at:

<http://www.cooperenergy.com.au/our-company/corporate-governance-and-policies/corporate-governance/board-charter>

The Audit Committee, Risk and Sustainability Committee and Remuneration & Nomination Committee have also been referred responsibilities by the Board as set out in each Committee's Charter. The Charters for the Committees are located at:

<http://www.cooperenergy.com.au/our-company/corporate-governance-and-policies/corporate-governance/remuneration-and-nomination-committee-charter>

Recommendation 1.2 – comply

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.

Prior to the appointment of a person, or putting forward to security holders a candidate for election as a director, the Company undertakes checks which it believes are appropriate to verify a director's character, experience, education, criminal record and bankruptcy history including:

- for new directors, background and reference checking; and
- for new directors and for all directors annually (including those put forward for election), requiring the person to complete and sign a questionnaire providing and verifying information in relation to the person's current and previous positions, directorships, bankruptcy history, criminal history and any potential conflicts of interests.

The Company ensures that all material information in its possession relevant to a shareholder's decision whether to elect or re-elect a director, including the information referred to in Recommendation 1.2, is provided to shareholders in the Company's Notice of Annual General Meeting.

Recommendation 1.3 – comply

A listed entity should have a written agreement with each director and senior executive setting out the terms of their appointment.

It is important that each director and senior executive of the Company has a clear understanding of their role and responsibilities, and of the Company's expectations.

Accordingly, each director and senior executive of the Company has an agreement in writing with the Company which sets out the key terms and conditions of their appointment including their duties, rights and responsibilities and (to the extent applicable) the matters referred to in the commentary to Recommendation 1.3.

Recommendation 1.4 – comply

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 Company Secretary has a direct line of reporting to the Chairman and is responsible for:

- advising and supporting the Chairman and the Board and its committees to manage the day to day governance framework of the Company;
- assisting with Board effectiveness by monitoring whether applicable Board and committee policies, procedures and charters are followed and coordinating timely completion and despatch of Board agendas and papers; and
- assisting with all matters to do with the proper functioning of the Board including advising on governance matters and assisting with induction and professional development of Directors.

The responsibilities of the Company Secretary are set out in the Board Charter located at:

<http://www.cooperenergy.com.au/our-company/corporate-governance-and-policies/corporate-governance/board-charter>

Recommendation 1.5 – comply

A listed entity should:

- (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;
- (b) disclose that policy or a summary of it; and
- (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:
 - (i) 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
 - (ii) 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.

One of the Company's core values is fairness and respect; which includes valuing diversity and difference and acting without prejudice. The Company believes that decision-making is enhanced through diversity and supports and encourages diversity at all levels of the organisation in accordance with the Company's Equal Opportunity & Diversity Policy.

Throughout the reporting period, the Company conducted a review of its Corporate Governance policies and updated its Equal Opportunity & Diversity Policy. A copy of the Equal Opportunity & Diversity Policy is located at:

<http://www.cooperenergy.com.au/our-company/corporate-governance-and-policies/corporate-governance/equal-employment-opportunity-diversity-policy>

The Remuneration & Nomination Committee is responsible for recommending to the Board any measurable objectives for achieving gender diversity and annually reviewing any such objectives and the Company's progress towards achieving them. The Committee reviews and reports to the Board at least annually on the relative proportion of women and men appointed or employed within the Company group. Refer Committee Charter located at:

<http://www.cooperenergy.com.au/our-company/corporate-governance-and-policies/corporate-governance/remuneration-and-nomination-committee-charter>

The Company strives to provide the best possible opportunities for current and prospective employees of all backgrounds in such a manner that best adds to overall shareholders value and which reflects the values, principles and spirit of the Equal Opportunity & Diversity Policy. The directors believe that diversity is a relevant consideration for constitution of an effective Board, as discussed at Recommendation 2.2.

For the financial year ended 30 June 2018, the Company had a total of:

- 15 women employees out of a total of 42 employees across the organisation;
- 2 women employees out of a total of 7 employees in senior executive positions; and
- 2 women directors out of a total of 6 directors on the Board.

The measurable objective to achieve gender diversity adopted by the Board involved a gender representation target of at least 30% participation by women in each of the categories above, noting that the Australian Women in Resources Alliance has set a goal to achieve 25% women in the resource industry workforce by 2020.

Across the whole organisation, women represented 36% of the workforce employed by the Company. Women represented 29% of the senior executives and 33% of the Board.

“Senior executive” means the seven Executive KMP listed in the Remuneration Report for the 2018 financial year contained within the Company’s 2018 Annual Report (excluding the Managing Director). As at the date of this report, there are 8 Executive KMP, 2 of whom are women (25%).

Recommendation 1.6 – comply

A listed entity should:

- (a) have and disclose a process for periodically evaluating the performance of the board, its committees and individual directors; and
- (b) disclose, in relation to each reporting period, whether a performance evaluation was undertaken in the reporting period in accordance with that process.

The performance of the Board is reviewed annually against measures in a manner that the Board deems appropriate. The review has regard to various matters including those set out in the Board Charter (under “Measurement of Performance”) located at:

<http://www.cooperenergy.com.au/our-company/corporate-governance-and-policies/corporate-governance/board-charter>

The Remuneration & Nomination Committee assists the Board as required with the evaluation of performance of directors (including the Managing Director).

A performance evaluation of the Board was undertaken by an independent external facilitator in accordance with these processes.

Recommendation 1.7 – comply

A listed entity should:

- (a) have and disclose a process for periodically evaluating the performance of its senior executives; and
- (b) disclose, in relation to each reporting period, whether a performance evaluation was undertaken in the reporting period in accordance with that process

The Managing Director reviews the performance of the senior executives annually with the assistance of the Remuneration & Nomination Committee. These evaluations take into account criteria such as the achievement toward the Company’s performance benchmarks and the achievement of individual performance objectives.

During the reporting period, a performance evaluation of the senior executives was undertaken by the Company in accordance with these processes.

Principle 2 – Structure the board to add value

Recommendation 2.1 – comply

The board of a listed entity should:

- (a) have a nomination committee which:
 - (i) has at least three members, a majority of whom are independent directors; and
 - (ii) is chaired by an independent director, and disclose:
 - (iii) the charter of the committee;
 - (iv) the members of the committee; and
 - (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
- (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.

The Company has established a Remuneration & Nomination Committee which comprises 3 non-executive directors, all of whom are independent directors and which is chaired by an independent director.

The Remuneration & Nomination Committee's Charter is located at:

<http://www.cooperenergy.com.au/our-company/corporate-governance-and-policies/corporate-governance/remuneration-and-nomination-committee-charter>

The Committee's members, the number of times the committee met throughout the reporting period and the attendance of the Committee's members at those meetings is set out in the Directors' Report contained in the 2018 Annual Report. A copy of the 2018 Annual Report is located at:

<http://www.cooperenergy.com.au/investor-information/reports>

Recommendation 2.2 – comply

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.

The Board regularly evaluates the mix of skills, experience and diversity at the Board level. The Board believes that a highly credentialed Board, with a diversity of background, skills and perspectives, will be effective in supporting and enabling delivery of good governance and sustainable performance for the Company and value for the Company's shareholders.

In the reporting year, the Board undertook a review of its board skills matrix, the purpose of which was to ensure that the directors hold appropriate qualifications and experience to discharge their duties effectively and add value. As a part of that process, the Board assessed their individual skills and expertise against criteria relevant to the Company given its current activities and strategic objectives.

The criteria determined as relevant by the Board is as follows:

- **M&A and/or capital markets:** proven experience with M&A or capital raisings, current or former corporate advisory role, investment banking or funds management role;
- **Audit and/or Corporate Finance:** financial expert (such as CA, CPA, former CFO), CFA, role in auditing or accounting, role in finance industry, proved experience in corporate taxation, expertise in corporate taxation, degree in commerce, finance, accounting or auditing;
- **Energy:** current or former executive role in energy sector or energy advisor, expertise in exploration, refining, development, production and distribution of oil & gas products, energy industry joint venture experience, product marketing and commercial;
- **Technical/engineering:** current or former technical role, technical or engineering degree, technical work experience;
- **Public Policy:** former or current role in the government or executive role in a government organisation, body, entity or institution, membership on the Takeovers Panel or FIRB, consultant to government, think-tanks, pro-active organisations, public and private sector experience in economic policy development and analysis;
- **Social / Health and Safety:** current or former executive role with direct control or accountability and responsibility for health, safety and environment in the energy industry, current or former executive HR role or HR consultant, at least 3 years of current or former membership of a safety, health and environmental committee, membership of global or world health institutes;

- **Environmental:** current or former executive role with direct control and responsibility or accountability for environment and sustainability, environmental consultant, at least 3 years current or previous membership of a safety, health and environment committee, proven knowledge of global environmental management, environmental science degree.
- **Strategy Development and Implementation:** current or former experience in strategy development and implementation in senior executive or non-executive roles.

The board skills matrix for the reporting period is as follows:

Skills and experience	Number of Directors
M&A and/or capital markets	6
Audit and/or Corporate Finance	3
Energy	4
Technical/Engineering	4
Social/Health & Safety	4
Environmental	4
Strategy Development and Implementation	6

The purpose of the matrix is to demonstrate that the board possesses these skills collectively and therefore it is not expected that each Board member will have expertise in all of the areas listed. However, while not all Board members must meet the specific criteria for Audit and/or Corporate Finance, all Board members are financially literate and are able to discharge their directors' duties in this regard.

Additionally, the details of the directors' qualifications, skills and experience are set out on pages 54-55 of the 2018 Annual Report. A copy of the 2018 Annual Report is located at:

<http://www.cooperenergy.com.au/investor-information/reports>

Recommendation 2.3 – comply

A listed entity should disclose:

- the names of the directors considered by the board to be independent directors;
- 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
- the length of service of each director.

The Board assesses independence of directors by considering whether a director has any interest, position or association that might influence, or might be perceived to influence, in a material respect, a director's capacity to independently exercise their judgement when acting as a director.

In making this assessment, the Board considers the types of interests, positions, associations and relationships contained within Box 2.3 of the ASX Corporate Governance Council's Corporate Governance Principles and Recommendations, that is, whether a director:

- is or has within the last three years been:

- employed in an executive capacity by the Company (or a subsidiary);
- a partner, director or senior employee of a provider of material professional services to the Company (or a subsidiary); or
- in a material business relationship with the Company (or a subsidiary), or an officer of, or otherwise associated with, someone with such a relationship;
- has a material contractual relationship with the Company (or a subsidiary) other than as a director;
- is a substantial shareholder of the Company or an officer of, or otherwise associated with, a substantial shareholder of the Company;
- has close family ties with any person who falls within any of the categories described above; or
- has been a director of the Company for such a period that his or her independence may have been compromised (to be regularly considered for any director having served more than 10 years),

and the Board also considers such other assessment criteria thought appropriate by the Board at the time of making the assessment.

The Board undertakes the independence assessment annually and sets out in the Company's Annual Report (as noted above) whether or not the Board considers a director is independent. While Mr Gordon is considered to not be an independent director due to his performance of an executive role within the last 3 years, the board considers Mr Gordon contributes an independent and well informed perspective which is assessed to be beneficial to its deliberations.

Details of the Company's independent directors, and the length of service of each director, is set out on pages 54 – 55 of the 2018 Annual Report. A copy of the 2018 Annual Report is located at:

<http://www.cooperenergy.com.au/investor-information/reports>

Recommendation 2.4 – comply

A majority of the board of a listed entity should be independent directors.

A majority of the Board comprises independent directors (4 out of the 6 directors are independent).

Recommendation 2.5 – comply

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 Chair of the Board is an independent director and is not the current or previous CEO or managing director of the Company. The Board Charter provides for the directors to elect an independent director, who is not the current or previous managing director, to perform the role of Chair.

Recommendation 2.6 – comply

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.
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All new directors are provided with an induction including comprehensive meetings with the Managing Director, senior executives and management, and provision of information on the Company including Company and Board policies.

In the reporting year, the Company appointed Miss Elizabeth Donaghey as a director of the Board. As a part of the induction process, Ms Donaghey was provided an induction pack including copies of relevant policies, Company agreements (including Constitution, Board Charter, Committee Charters) and access to senior executives and the members of the Board to discuss the business of the Company and the operation of the Board.

All directors are expected to maintain the skills required to effectively discharge their obligations to the Company. Directors are encouraged to undertake continuing professional education, and at least annually the Company arranges for external speakers with expertise in areas that are relevant to the Company's operations and strategy to address the Board. Where appropriate, the Company will pay for the directors to attend industry seminars and approved education courses.

The Remuneration & Nomination Committee oversees the induction program for new directors and considers the training and development needs of all directors. The Committee is responsible for ensuring that resources are allocated to developing and maintaining the directors' skills and knowledge, to ensure that the directors have and maintain the necessary skills and knowledge required to fulfil their role on the Board and its Committees effectively.

Principle 3 – Act ethically and responsibly

Recommendation 3.1 – comply

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.

The Company has a Code of Conduct that sets out the standards of behaviour expected of all its employees, directors, officers, contractors and consultants.

The key principles outlined in the Company's Code of Conduct are:

- (i) operate with care, prioritising the safety and health of all personnel and the environment and the communities in which the Company operates;
- (ii) act honestly and with high standards of personal integrity;
- (iii) comply with the laws and regulations that apply to the Company and its operations;
- (iv) not knowingly participate in any illegal or unethical activity;
- (v) not misuse or take advantage of the property or information of, or their position in, the Company for personal gain or to cause detriment to the Company;
- (vi) act in the best interests of the Company and not enter into any arrangement or participate in any activity that would conflict with the Company's best interests or that would be likely to negatively affect the Company's reputation; and
- (vii) strive to be a good corporate citizen and achieve community respect.

The Code of Conduct is located at:

<http://www.cooperenergy.com.au/our-company/corporate-governance-and-policies/corporate-governance/code-of-conduct>

Principle 4 – Safeguard integrity in corporate reporting

Recommendation 4.1 – comply

The board of a listed entity should:

- (a) have an audit committee which:
 - (i) has at least three members, all of whom are non-executive directors and a majority of whom are independent directors; and
 - (ii) is chaired by an independent director, who is not the chair of the board,
 and disclose:
 - (iii) the charter of the committee;
 - (iv) the relevant qualifications and experience of the members of the committee; and
 - (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
- (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.

The Audit Committee comprises 3 non-executive directors, a majority of whom are independent directors, and is chaired by an independent director (who was not the chair of the board).

At the date of this Corporate Governance Statement, Mr Gordon, a member of the Audit Committee is not considered independent by the Board (due to Mr Gordon having had, within the last 3 years, an executive role with the Company), however the Board considers Mr Gordon contributes an independent and well informed perspective which is assessed to be beneficial to its deliberations. The Board has also had regard to the fact that Mr Gordon's executive role with the Company, which ceased in June 2017 (and with the passing of time will not impact on his independence), was a part time advisory role.

The Audit Committee's Charter is located at:

<https://www.cooperenergy.com.au/our-company/corporate-governance-and-policies/corporate-governance/audit-committee-charter>

The Committee's members and their relevant qualifications and experience, the number of times the Committee met throughout the reporting period and the attendance of the Committee's members at those meetings is set out on pages 54-56 of the 2018 Annual Report. A copy of the 2018 Annual Report is located at:

<http://www.cooperenergy.com.au/investor-information/reports>

Recommendation 4.2 – comply

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.

The Company has received a declaration in the form set out in Recommendation 4.2 from its CEO and CFO in relation to the financial statements for the financial periods ended 31 December 2017 and 30 June 2018.

Recommendation 4.3 – comply

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.

The Company's external auditor attends each AGM of the Company and is available to answer questions from security holders relevant to the audit.

Principle 5 – Make timely and balanced disclosure

Recommendation 5.1 – comply

A listed entity should:

- (a) have a written policy for complying with its continuous disclosure obligations under the Listing Rules; and
- (b) disclose that policy or a summary of it.

The Company is committed to providing timely, complete and accurate disclosure of information in accordance with the ASX Listing Rules and the Corporations Act, as well as ensuring that shareholders and other stakeholders equally are provided access to material information about the Company.

The Company has a Continuous Disclosure and Market Communications Policy that outlines the processes followed by the Company to ensure compliance with its continuous disclosure obligations and the corporate governance standards applied by the Company in its market communications. The Continuous Disclosure and Market Communications Policy is located at:

<http://www.cooperenergy.com.au/our-company/corporate-governance-and-policies/corporate-governance/continuous-disclosure-and-market-communications-policy>

Principle 6 – Respect the rights of security holders

Recommendation 6.1 – comply

A listed entity should provide information about itself and its governance to investors via its website.

Information about the Company and its operations is located on its website at <http://www.cooperenergy.com.au>

The Company is focused on, and staff are incentivised for, generating sustainable growth in total shareholder return through a strategy that requires:

- due care for health, safety, and the environment and communities in which the Company operates;
- focus on hydrocarbon resources and opportunities possessing the strong economic fundamentals that support generation of leading returns for its shareholders and good commercial outcomes for customers within the foreseeable future; and
- concentration of effort and resources on opportunities where it has deep knowledge and expertise, principally the Australian basins and the commercialisation of gas.

These are supported by a suite of corporate governance policies that reinforce the responsibilities of all Company personnel, including our Board of Directors. Information about the Company's corporate governance (including links to the Company's corporate governance policies and charters) is located at <http://www.cooperenergy.com.au/our-company/corporate-governance-and-policies/corporate-governance>

Recommendation 6.2 – comply

A listed entity should design and implement an investor relations program to facilitate effective two-way communication with investors.

The Company believes in empowering its shareholders via effective communication.

The Company has a Shareholders Communications Policy that outlines the processes followed by the Company to ensure communication with shareholders and the investment community is effective, consistent and adheres to the principles of continuous disclosure. The Shareholders Communications Policy is located at:

<http://www.cooperenergy.com.au/our-company/corporate-governance-and-policies/corporate-governance/shareholder-communications-policy>

The Company's Continuous Disclosure and Market Communications Policy also outlines policies and requirements for communications with analysts and investors to ensure that the communications are effective and comply with the Company's continuous disclosure obligations.

Recommendation 6.3 – comply

A listed entity should disclose the policies and processes it has in place to facilitate and encourage participation at meetings of security holders.

The Shareholders Communication Policy sets out the policies and processes the Company has in place to facilitate and encourage participation at meetings of security holders. The Company permits shareholders to vote online (and by other methods) prior to an Annual General Meeting if they are unable to attend the meeting.

Recommendation 6.4 – comply

A listed entity should give security holders the option to receive communications from, and send communications to, the entity and its security registry electronically.

The Company gives security holders the option to receive communications from, and send communications to, the Company and its security registry electronically, as provided for in the Company's Shareholders Communications Policy.

Principle 7 – Recognise and manage risk

Recommendation 7.1 – comply other than part (a)(ii), the chair is not independent

The board of a listed entity should:

- (a) have a committee or committees to oversee risk, each of which:
 - (i) has at least three members, a majority of whom are independent directors; and
 - (ii) is chaired by an independent director,
 and disclose:
 - (iii) the charter of the committee;
 - (iv) the members of the committee; and
 - (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
- (b) if it does not have risk committee or committees that satisfy (a) above, disclose that fact and the processes it employs for overseeing the entity's risk management framework. .

The Risk and Sustainability Committee comprises 3 non-executive directors, a majority of whom are independent directors, and is chaired by a non-executive director (who was not the chair of the board).

The Risk and Sustainability Committee is chaired by Mr Hector Gordon. At the date of this Corporate Governance Statement, Mr Gordon is not considered independent by the Board (due to Mr Gordon having had, within the last 3 years, an executive role with the Company), however the Board considers Mr Gordon contributes an independent and well informed perspective which is assessed to be beneficial to its deliberations. Relevant industry experience and expertise are critical for the effective management of risk, particularly during this period of growth for the Company. Mr Gordon's extensive relevant operational experience and technical and industry skills make him the most qualified and best suited Company director at this time to chair the Risk and Sustainability Committee. The Board has also had regard to the fact that Mr Gordon's

executive role with the Company, which ceased in June 2017 (and with the passing of time will not impact on his independence), was a part time advisory role.

The Risk and Sustainability Committee's Charter is located at:

<https://www.cooperenergy.com.au/our-company/corporate-governance-and-policies/corporate-governance/risk-and-sustainability-committee-charter>

The Committee's members and their relevant qualifications and experience, the number of times the Committee met throughout the reporting period and the attendance of the Committee's members at those meetings is set out on pages 54 -56 of the 2018 Annual Report. A copy of the 2018 Annual Report is located at:

<http://www.cooperenergy.com.au/investor-information/reports>.

Recommendation 7.2 – comply

The board or a committee of the board should:

- (a) review the entity's risk management framework at least annually to satisfy itself that it continues to be sound; and
- (b) disclose, in relation to each reporting period, whether such a review has taken place.

The Company manages risks in accordance with its risk management framework, with the objective of ensuring all risks inherent in oil and gas exploration and production activities are identified, measured and then managed or kept as low as reasonably practicable.

The Company's Risk Management Policy requires the Board to, at least annually, assisted by the Risk and Sustainability Committee, undertake a structured consideration and review of the risk management framework and the material risks faced by, and the risk attitude of, the Company. The Risk Management Policy is located at:

<http://www.cooperenergy.com.au/our-company/corporate-governance-and-policies/corporate-governance/risk-management-policy>

In the reporting period, the Board, assisted by the Risk and Sustainability Committee, undertook a review of the Company's risk management framework.

Recommendation 7.3 – comply

A listed entity should disclose:

- (a) if it has an internal audit function, how the function is structured and what role it performs; or
- (b) if it does not have an internal audit function, that fact and the processes it employs for evaluating and continually improving the effectiveness of its risk management and internal control processes.

As set out in the Company's Risk Management Policy (under the heading "Risk Management Framework"), given the Company's current size and nature of its operations, the Board considers it appropriate to engage external advisors (independent of the external auditor) to perform the internal audit function. These external advisors report to either the Audit Committee, Risk and Sustainability Committee or the Board, depending on the nature of the audit. The Risk Management Policy is located at:

<http://www.cooperenergy.com.au/our-company/corporate-governance-and-policies/corporate-governance/risk-management-policy>

The Risk and Sustainability Committee is responsible for monitoring and reviewing the effectiveness and objectivity of the internal audit function (with assistance from the Audit Committee in relation to internal audit of financial matters).

Recommendation 7.4 – comply

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.

The Company, as a petroleum exploration and production company, faces inherent risks in its activities, including economic, environmental and social sustainability risks, which may materially impact the Company's ability to create or preserve value for security holders over the short, medium or long term.

A description of material risks for the Company is set out in the Operating and Financial Review on pages 51-52 of the 2018 Annual Report. A copy of the 2018 Annual Report is located at:

<http://www.cooperenergy.com.au/investor-information/reports>

The Company has in place policies and procedures, including a risk management framework (as described in the Company's Risk Management Policy), which are continually being developed and updated to help manage these risks. The objective of the risk management framework is to ensure all risks facing the business are identified, measured and then managed or kept as low as reasonably practicable. Copies of some of these policies are located at:

<http://www.cooperenergy.com.au/our-company/corporate-governance-and-policies>

One of the Company's core values is care; it prioritises safety, health, the environment and community. The Company's objective is to be a sustainable business that delivers value for shareholders, customers, employees and the communities in which it works. The Company views sustainable and responsible business practices as an important long term driver of performance and shareholder value and is committed to transparency, fair dealing, responsible treatment of employees and partners and positive links to the community.

The Company's efforts are guided by the sustainability principles developed and applied across 4 key areas: people; safety; environment; and community & stakeholders. The opportunities, obligations and exposures in each of these areas expanded substantially with the Company's development during the year. In the reporting period, the Company instituted a number of governance and reporting measures for monitoring, managing, reporting and improving performance in building a sustainable business, including the development of a Sustainability Policy, and the Sustainability Review.

The Sustainability Review is set out on pages 16-24 of the 2018 Annual Report. A copy of the 2018 Annual Report is located at:

<http://www.cooperenergy.com.au/investor-information/reports>

Principle 8 – Remunerate fairly and responsibly**Recommendation 8.1 – comply**

The board of a listed entity should:

- (a) have a remuneration committee which:
 - (i) has at least three members, a majority of whom are independent directors; and
 - (ii) is chaired by an independent director,
 and disclose:
 - (iii) the charter of the committee;
 - (iv) the members of the committee; and
 - (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
- (b) if it does not have risk 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 remuneration is appropriate and not excessive.

The Company has established a Remuneration & Nomination Committee which comprises 3 non-executive directors, all of whom are independent directors and which is chaired by an independent director.

The Remuneration & Nomination Committee's Charter is located at:

<http://www.cooperenergy.com.au/our-company/corporate-governance-and-policies/corporate-governance/remuneration-and-nomination-committee-charter>

The Committee's members, the number of times the committee met throughout the reporting period and the attendance of the Committee's members at those meetings is set out on page 56 2018 Annual Report. A copy of the 2018 Annual Report is located at:

<http://www.cooperenergy.com.au/investor-information/reports>

Recommendation 8.2 – comply

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.

The Company is committed to a remuneration philosophy that aligns to its business strategy and emphasises superior performance and shareholder returns.

The Company's approach towards remuneration aims to ensure that an appropriate balance is achieved among:

- i. maximising sustainable shareholder returns;
- ii. operational and strategic requirements; and
- iii. providing attractive and appropriate remuneration packages.

The Company's policies and practices regarding the remuneration of non-executive directors and the remuneration of executive directors and other senior executives is set out in the Remuneration & Nomination Committee Charter and in the Remuneration Report contained in the 2018 Annual Report. The Remuneration & Nomination Committee Charter is located at:

<http://www.cooperenergy.com.au/our-company/corporate-governance-and-policies/corporate-governance/remuneration-and-nomination-committee-charter>

A copy of the 2018 Annual Report is located at:

<http://www.cooperenergy.com.au/investor-information/reports>

Recommendation 8.3 – comply

A listed entity which has an equity-based remuneration scheme should:

- (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
- (b) disclose that policy or a summary of it.

The Company has an equity-based remuneration scheme. The Company's Securities Dealing Policy provides that participants in the scheme must not enter into any transaction which would have the effect of hedging or otherwise transferring to any other person the risk of any fluctuation in the value of any unvested scheme entitlement. The Securities Dealing Policy is located at:

<http://www.cooperenergy.com.au/Upload/2014.02.18-Securities-dealing-policy.pdf>