

Corporate Governance Statement



The Company's 2018 Corporate Governance Statement is presented below and can also be accessed at <http://pancon.com.au/about-us/corporate-governance/>. The Statement has been approved by the Board of Pancontinental Oil & Gas NL and is current as at 30 June 2018.

Pancontinental's Corporate Governance Statement outlines the Company's governance practices throughout the financial year and the extent of the Company's compliance, as at 30 June 2018 with the ASX Corporate Governance Council's third edition of Corporate Governance Principles and Recommendations.

The Company will regularly review its current practices to ensure they evolve with good practice methods recommended by regulatory bodies while taking into account factors such as the size, nature and activities of the Company.

Corporate Governance Council Recommendation followed by Pancontinental Oil & Gas NL Corporate Governance Comments	
PRINCIPLE 1 – LAY SOLID FOUNDATIONS FOR MANAGEMENT AND OVERSIGHT	
1.1	<p>A listed entity should disclose:</p> <ul style="list-style-type: none"> (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. <p>Adopted - Pancontinental has adopted a Board Charter which can be found on the Company's website at http://pancon.com.au/about-us/corporate-governance/. The Charter outlines the roles and responsibilities of Board and Management including the responsibilities for not only the Board as a whole but also the Chairman, Chief Executive Officer and Non-Executive / Independent Directors.</p> <p>The Charter contains a list of responsibilities for the Board which cannot be directly delegated to Senior Management, however day-to-day activities required to fulfil those responsibilities may be assigned to Senior Management.</p>
1.2	<p>A listed entity should:</p> <ul style="list-style-type: none"> (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. <p>Adopted - The Company's Nomination Committee Charter which has been disclosed on the Pancontinental website http://pancon.com.au/about-us/corporate-governance/ outlines the role of the Nomination Committee including the oversight of the Company's selection and appointment practices for Directors.</p> <p>As part of its Corporate Governance Manual the Company has also adopted a Policy and Procedure for Selection and (Re)Appointment of Directors which can be found at http://pancon.com.au/about-us/corporate-governance/. The Policy and Procedure outlines the process for the evaluation and appointment of new Board members, as well as listing information that is required to be provided to Shareholders so that they may make an informed decision regarding the election of a proposed candidate.</p> <p>The Nomination Committee Charter empowers the Directors to engage external consultants such as Employment Screening Australia who are a CrimTrac accredited information agent that adheres to the Australian Standard AS 4811-2006 Employment Screening.</p>
1.3	<p>A listed entity should have a written agreement with each director and senior executive setting out the terms of their appointment.</p> <p>Adopted - Each Director is in possession of a written agreement setting out the terms of their appointment including their right to independent professional advice if required to fulfil their capacity as Director.</p> <p>Material terms of any employment, service or consultancy agreement are disclosed.</p>
1.4	<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> <p>Adopted - The Company Secretary is accountable to the Board through the Chairman on matters relating to the proper functioning of the Board.</p>



	<p>The Company Secretary completes and circulates board papers, records minutes of the business discussed at Board Meetings and communicates with the Board on: governance matters, application of the Company's Constitution, the ASX Listing Rules and other relevant laws. They are a point of reference between the Board and Management.</p>												
<p>1.5</p>	<p>A listed entity should:</p> <ol style="list-style-type: none"> (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: <ol style="list-style-type: none"> 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 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>Adopted – Pancontinental has formally adopted a Diversity Policy which can be found at http://pancon.com.au/about-us/corporate-governance/</p> <p>Diversity – Board Composition</p> <p>The mix of skills and diversity for which the Company is looking to achieve in membership of the Board is one that is as diverse as practical given the size and scope of the Company's operations. In considering new member appointments, the Board evaluates the candidate's ability to actively participate in Board matters by exercising sensible business judgement and committing the time required to fulfil the role effectively so that the Company can move towards achieving its strategic goals.</p> <p>Diversity – Measurable Objectives</p> <p>The main objectives with regard to diversity include:</p> <ul style="list-style-type: none"> • The Company's composition of Board, Executive, Management and Employees to be as diverse as practicable; • To provide equal opportunities for all positions within the Group and continue the Group's commitment to employment based on merit; • Periodic review of the Group's workforce structure and assessment of where and how improvements can be implemented incorporating greater diversity. <p>The above objectives set by the Company with regard to diversity have been met, as described below:</p> <ul style="list-style-type: none"> • Blend of skills – wide range of backgrounds; geology, petroleum exploration, engineering, finance and corporate experience; • Cultural backgrounds – Australian and European; • Gender – both male and female; and • Age – the age range spans over 40 years. <p>Diversity – Annual Reporting</p> <table border="1" data-bbox="240 1697 1377 1890"> <thead> <tr> <th></th> <th>2018</th> <th>2017</th> </tr> </thead> <tbody> <tr> <td>Board & Company Secretary</td> <td>33%</td> <td>20%</td> </tr> <tr> <td>Employees</td> <td>100%</td> <td>100%</td> </tr> <tr> <td>Total Workforce</td> <td>43%</td> <td>43%</td> </tr> </tbody> </table> <p>The Australian Government's Workplace Gender Equality Agency periodically releases statistics with regard to the gender composition of the Australian workforce by industry. With reference to its latest data, Pancontinental far exceeds the industry average of 12.8% of women.</p>		2018	2017	Board & Company Secretary	33%	20%	Employees	100%	100%	Total Workforce	43%	43%
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<p>1.6</p>	<p>A listed entity should:</p> <ul style="list-style-type: none"> 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.
	<p>Adopted – The Company’s website includes a policy with regard to the Process for Performance Evaluation which can be found at http://pancon.com.au/about-us/corporate-governance/</p> <p>During the reporting period a formal evaluation of the Board and its members was not carried out however the composition of the Board, its suitability to carry out the Company’s objectives and remuneration levels are reviewed on an as required basis.</p>
<p>1.7</p>	<p>A listed entity should:</p> <ul style="list-style-type: none"> 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.
	<p>Adopted – The Company’s website includes a policy with regard to the process for performance evaluation which can be found at http://pancon.com.au/about-us/corporate-governance/</p> <p>With regard to the current financial reporting period, a formal evaluation of the performance of Senior Executives was not carried out as the suitability and size of the Company’s workforce is reviewed by the Board on an as required basis.</p>



PRINCIPLE 2 - STRUCTURE THE BOARD TO ADD VALUE																																													
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>Not Adopted – The full Board fulfils the role of the Nomination Committee.</p> <p>The Board considers those matters that would ordinarily be the responsibility of a Nomination Committee and no separate meetings were held as the Nomination Committee during the year. The Board has adopted a Nomination Committee Charter which is disclosed on the Company's website at http://pancon.com.au/about-us/corporate-governance/. The Charter as well as the Company's Policy and Procedure for Selection and (Re) Appointment of Directors http://pancon.com.au/about-us/corporate-governance/ and Succession Plan Policy are applied when convening to discuss Nomination Committee matters.</p> <p>In assessing the Company's diversity objectives, the composition of the Board is considered with regard to blend of skills, experience, independence and diversity. The Directors consider that the current Board has the appropriate balance to successfully carry out the duties required of them as Officers of the Company.</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>Adopted – The Board is seeking Directors who collectively have the skills, knowledge and experience to govern and direct the Company effectively. The below table shows the key skills and experience the Board as a whole possess.</p> <table border="1" style="margin-left: auto; margin-right: auto;"> <thead> <tr> <th colspan="2">Board Expertise</th> <th colspan="2">Board Experience</th> </tr> </thead> <tbody> <tr> <td>Commercial</td> <td style="text-align: center;">•</td> <td>Capital Raisings</td> <td style="text-align: center;">•</td> </tr> <tr> <td>Compliance</td> <td style="text-align: center;">•</td> <td>Company Promotion</td> <td style="text-align: center;">•</td> </tr> <tr> <td>Corporate</td> <td style="text-align: center;">•</td> <td>Financial Management</td> <td style="text-align: center;">•</td> </tr> <tr> <td>Ethics</td> <td style="text-align: center;">•</td> <td>Former Board Experience</td> <td style="text-align: center;">•</td> </tr> <tr> <td>Exploration</td> <td style="text-align: center;">•</td> <td>International Business</td> <td style="text-align: center;">•</td> </tr> <tr> <td>Finance</td> <td style="text-align: center;">•</td> <td>Listed Company Management</td> <td style="text-align: center;">•</td> </tr> <tr> <td>Geology</td> <td style="text-align: center;">•</td> <td>Mergers & Acquisitions</td> <td style="text-align: center;">•</td> </tr> <tr> <td>Governance</td> <td style="text-align: center;">•</td> <td>Mineral Exploration</td> <td style="text-align: center;">•</td> </tr> <tr> <td>Risk</td> <td style="text-align: center;">•</td> <td>Mineral Production</td> <td style="text-align: center;">•</td> </tr> <tr> <td>Strategy</td> <td style="text-align: center;">•</td> <td>Oil & Gas Exploration</td> <td style="text-align: center;">•</td> </tr> </tbody> </table> <p>Details of each of the Director's qualifications are set out in the Directors' Report. All of the Directors have substantial industry experience and consider themselves to be financially literate. Mr Myers and Mrs Petrovic are qualified accountants and therefore meets the tests of financial expertise.</p>	Board Expertise		Board Experience		Commercial	•	Capital Raisings	•	Compliance	•	Company Promotion	•	Corporate	•	Financial Management	•	Ethics	•	Former Board Experience	•	Exploration	•	International Business	•	Finance	•	Listed Company Management	•	Geology	•	Mergers & Acquisitions	•	Governance	•	Mineral Exploration	•	Risk	•	Mineral Production	•	Strategy	•	Oil & Gas Exploration	•
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	<p>Pancontinental acknowledges that the skills, knowledge and experience required on the Board will change as the Organisation evolves however under the current circumstances, the mix of expertise and experience identified above is beneficial in meeting the current challenges faced by the Group.</p>																												
2.3	<p>A listed entity should disclose:</p> <p>(a) the names of the directors considered by the board to be independent directors;</p> <p>(b) if a director has an interest, position, association or relationship of the type described in Box 2.3 but the board is of the opinion that it does not compromise the independence of the director, the nature of the interest, position, association or relationship in question and an explanation of why the board is of that opinion; and</p> <p>(c) the length of service of each director.</p> <p>Adopted – see table below.</p> <table border="1"> <thead> <tr> <th>Director</th> <th>Position</th> <th>Tenure</th> <th>Independent</th> </tr> </thead> <tbody> <tr> <td>HD Kennedy</td> <td>Non-Executive Chairman</td> <td>19 years</td> <td>No - Substantial Shareholder</td> </tr> <tr> <td>JD Begg</td> <td>Executive Director and Chief Executive Officer</td> <td>< 1 year</td> <td>No – Executive Director</td> </tr> <tr> <td>EA Myers</td> <td>Non-Executive Director</td> <td>9 years</td> <td>No – Provides Executive Services</td> </tr> <tr> <td>RB Rushworth</td> <td>Non-Executive Director</td> <td>13 years</td> <td>No – Provides Executive Services</td> </tr> <tr> <td>MM Malaxos</td> <td>Non-Executive Director</td> <td>< 1 year</td> <td>No – Provides Executive Services</td> </tr> <tr> <td>V Petrovic</td> <td>Company Secretary and Executive Director</td> <td>< 1 year</td> <td>No - Executive Director</td> </tr> </tbody> </table> <p>In considering the independence of Directors, the Board refers to the criteria for independence as set out in Box 2.3 of the ASX Corporate Governance Council's third edition of Corporate Governance Principles and Recommendations. To the extent that it is necessary for the Board to consider issues of materiality, the Board refers to the thresholds for qualitative and quantitative materiality as adopted by the Board and contained in the Board Charter, which is disclosed on the Company's website.</p> <p>Box 2.3's independence criteria has been applied in the above table and although no Directors are considered to be independent, the Board believes its current composition is in line with the long term interests of Shareholders. The Board also acknowledges the need for independent judgement on all Board decisions, irrespective of each individual Director's independence and as such has implemented a Policy on Independent Professional Advice.</p>	Director	Position	Tenure	Independent	HD Kennedy	Non-Executive Chairman	19 years	No - Substantial Shareholder	JD Begg	Executive Director and Chief Executive Officer	< 1 year	No – Executive Director	EA Myers	Non-Executive Director	9 years	No – Provides Executive Services	RB Rushworth	Non-Executive Director	13 years	No – Provides Executive Services	MM Malaxos	Non-Executive Director	< 1 year	No – Provides Executive Services	V Petrovic	Company Secretary and Executive Director	< 1 year	No - Executive Director
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2.4	<p>A majority of the board of a listed entity should be independent directors.</p> <p>Not Adopted – No Directors are considered to be independent.</p> <p>The Board acknowledges Recommendation 2.4 in that the majority of the Board of a listed entity should be independent Directors, however the Board is of the belief that each area of expertise required for a Company of Pancontinental's size is well represented and that there are long term benefits to be gained from the current combination of Directors' skills, experience and expertise.</p> <p>Although the Board of Directors are able to exercise objective business judgement, a Policy on Independent Professional Advice has been implemented to assist if required. If a Director considers it necessary to obtain professional advice to properly discharge the responsibility for their office as a Director, then the Company will pay reasonable expenses associated with obtaining such advice.</p>																												
2.5	<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>Not Adopted – As recommended, the Chairman and the CEO are not the same person, however the Chairman of the Board is Mr Kennedy, who is not independent by virtue of this substantial shareholding in the Company.</p>																												



	<p>Leadership of the Board rests with the Chairman who oversees its operation ensuring that it is run effectively. The Board believes Mr Kennedy's interests are aligned with the long term interests of Shareholders and given his extensive experience and qualifications, believes Mr Kennedy is the most appropriate Director to carry out the role of the Chairman.</p>
2.6	<p>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.</p>
	<p>Adopted – The Company has devised an Induction Programme for new Directors, Executives and Employees.</p> <p>The goal of the Induction Programme is to assist new Directors in participating fully and actively in Board decision making at the earliest opportunity by providing them with the necessary Company knowledge as well as information pertaining to the industry within which it operates. A Directors' Pack is made available which includes key information on Board Members, Board Charters, Duties Imposed on Directors of Public Companies, Directors' Disclosure Obligations, Declaration of Interest Forms and Overall Responsibility amongst other Policies and Procedures implemented by the Company.</p> <p>New Directors are given the opportunity to review the Company's operations and meet with key Executives in the Exploration, Geology, Finance and Corporate areas.</p> <p>Professional development opportunities arise when there are new corporate, legal, tax, accounting or geological developments within Australia or in overseas countries where the Company operates. The Board is briefed by Management on any new standards or matters of interest that are relevant in the Company continuing its business effectively. In addition, a number of professional bodies with which the Company is associated run regular seminars or conferences at which attendance is encouraged.</p>
PRINCIPLE 3 – ACT ETHICALLY AND RESPONSIBLY	
3.1	<p>A listed entity should:</p> <ul style="list-style-type: none"> (a) have a code of conduct for its directors, senior executives and employees; and (b) disclose that code or a summary of it.



Adopted – A summary of the Company’s Code of Conduct can be found at <http://pancon.com.au/about-us/corporate-governance/>

The Company’s Code of Conduct sets out the principles and standards which the Board, Management and employees of the Company are encouraged to strive towards when dealing with each other, Shareholders, Stakeholders and the broader community.

The Code of Conduct covers the Company’s core values and beliefs including the following:

- Integrity and Honesty
- Responsibility to Shareholders
- Respect for the Law
- Conflicts of Interest
- Protection of Assets
- Confidential Information
- Employment Practices
- Responsibility to the Community
- Responsibility to the Individual
- Obligations Relative to Fair Trading and Dealing
- Financial and other Inducements
- Compliance with the Code of Conduct

In addition, a Whistleblower Policy forms part of the Company’s Corporate Governance Manual. The Policy covers the following:

- Reporting and Investigating Officers
- Reporting Responsibility
- No Retaliation
- Reporting Violations
- Accounting and Auditing Matters
- Acting in Good Faith
- Confidentiality
- Handling of Reported Violations

The Policy was adopted so that any concerns regarding contraventions of the Code of Conduct could be addressed in a safe and formal manner without fear of reprisal.



PRINCIPLE 4 – SAFEGUARD INTEGRITY IN CORPORATE REPORTING	
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>Not Adopted – Mr Myers, Ms Malaxos and Mrs Petrovic are members of the Audit Committee. Although the Company has an Audit Committee, not all of the members are Non-Executive Directors and there is no Independent Director on the Committee.</p> <p>One meeting was held as the Audit Committee during the year and recommendations were presented to the Board. The Board has adopted an Audit Committee Charter which is disclosed on the Company’s website at http://pancon.com.au/about-us/corporate-governance/. The Charter as well as the Company’s Procedure for the Selection, Appointment and Rotation of External Auditor http://pancon.com.au/about-us/corporate-governance/ is applied when convening to discuss Audit Committee matters.</p> <p>An External Auditor is appointed to independently verify and safeguard the integrity of the Company’ corporate reporting, in addition when discussing Audit Committee matters, the Board reviews annual action points such as:</p> <ul style="list-style-type: none"> • Review of financial statements • Assess Management’s selection of accounting policies and principles • Consider the external audit report and whether it is consistent with the Board’s information and knowledge • Consider the Company’s internal controls • Assess if the external audit report is adequate for Shareholder needs • Discuss any significant findings with the External Auditor • Confirm the independence of the External Auditor • Ensure that the External Auditor is requested to attend the Annual General Meeting <p>The Board in conjunction Management’s input, review the suitability of existing audit arrangements and the scope of the audit on a periodic basis. The Board is responsible for the appointment of a new external auditor should a vacancy arise, however the appointment must be ratified by Shareholders at the next Annual General Meeting.</p> <p>The Board of Directors also review the current circumstances in light of Section 324D (1) and (2) of the Corporations Act 2001 which stipulates that an individual may not play a significant role in the audit of a listed entity for more than five out of seven successive financial years.</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>Adopted – A Directors’ Declaration under Subsection 295(4) of the Corporations Act 2001 is only made after each person who performs:</p> <p>a) A Chief Executive Officer function; or</p> <p>b) A Chief Financial Officer function</p> <p>in relation to the Company, has given the Directors a declaration whether, in their opinion:</p>



	<p>a) The financial records of the Company for the financial year have been properly maintained in accordance with Section 286 of the Corporations Act 2001;</p> <p>b) The financial statements and notes for the financial year comply with the accounting standards;</p> <p>c) The financial statements and notes for the financial year give a true and fair view;</p> <p>d) Any other matters that are prescribed by the regulations in relation to the financial statements and notes for the financial year are satisfied.</p> <p>In addition, that the opinion has been formed on the basis of a sound system of risk management and internal controls which is operating effectively.</p> <p>The declaration is made:</p> <p>a) In writing;</p> <p>b) Specifying the date the declaration is made;</p> <p>c) Specifying the capacity in which the person is making the declaration; and</p> <p>d) Signed by the person making the declaration.</p>
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.
	Adopted – During Annual General Meeting planning, the External Auditors are consulted to ensure that they are available to attend the meeting and answer questions from Shareholders with regard to the conduct of the audit and the Auditor’s Report.
PRINCIPLE 5 – MAKE TIMELY AND BALANCED DISCLOSURE	
5.1	<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>
	<p>Adopted – A summary of the Company’s Policy on ASX Listing Rule Compliance can be found at http://pancon.com.au/about-us/corporate-governance/</p> <p>As a Company listed on the Australian Securities Exchange, Pancontinental is obliged to disclose certain information under a continuous disclosure regime to keep the market informed of events and developments as they occur. The Company promotes timely and balanced disclosure of all material matters concerning the Company. All Investors should have equal and timely access to material information. The Company has adopted certain procedures to ensure that it complies with its continuous disclosure obligations and has appointed a Responsible Officer for ensuring the procedures are complied with.</p> <p>The Policy sets out details with regards to:</p> <ul style="list-style-type: none"> • The Responsible Officer • Types of information that needs to be disclosed • The concept of timely announcements • Board Notification – informing the Board and ongoing monitoring • Avoiding a false market • Safeguarding confidentiality of corporate information to avoid premature disclosure • Media contact and comment • External communications such as analyst briefings and responses to Shareholder questions • Reporting • Required actions in the case of non-compliance • Updating compliance procedures • Guide to drafting company announcements
PRINCIPLE 6 – RESPECT THE RIGHTS OF SECURITY HOLDERS	
6.1	A listed entity should provide information about itself and its governance to investors via its website.
	Adopted – The Company’s website includes a Corporate Governance landing page which can be found at http://pancon.com.au/about-us/corporate-governance/



	<p>The Corporate Governance page shows an introduction to the Corporate Governance of the Company by referring to the Corporate Governance Manual adopted, in addition, Investors can find Board Charters as well as an extract of Policies and Procedures included in the manual.</p> <p>Links to the Investor Centre can also be opened from the Corporate Governance page where ASX releases, the Company's share price, financial reports, broker reports, media coverage and company presentations can be accessed. Subscriptions to the Company's mailing list can also be submitted from this page.</p> <p>Furthermore, general and detailed project information is available for the Investor's perusal from the Corporate Governance page.</p>
6.2	<p>A listed entity should design and implement an investor relations program to facilitate effective two-way communication with investors.</p>
	<p>Adopted – The Company has adopted a Shareholder Communication Policy which can be found on the Company's website at http://pancon.com.au/about-us/corporate-governance/</p> <p>The Policy aims to ensure that Shareholders are informed of all major developments affecting the Company and that there are means available to facilitate two-way communication. If Investors have a greater understanding of the business they are able to make informed investment decisions.</p> <p>Information is communicated to Investors by:</p> <ul style="list-style-type: none"> • Company announcements • Information briefings to media and analysts • Notices of Meeting and explanatory material • Financial information including annual reports • Website updates • Board and Management addresses and presentations at meetings <p>Investors can express their views or present queries to the Company by:</p> <ul style="list-style-type: none"> • Utilising the Contact Us section of the website http://pancon.com.au/contact-us to send direct communications to the Company • The Contact Us section http://pancon.com.au/contact-us as well as any ASX or media updates include the contact details of the Company such as address and telephone number. These details can be used to initiate written or verbal contact with the Company • The Company provides Shareholders with a Notice of Meeting detailing matters such as the agenda, location and time of the meeting so that Shareholders can make arrangements to attend and speak to Company representatives. Notices of Meeting are available on the ASX platform under the code PCL or the Company website so that Investors who are not currently Shareholders can also attend the meeting
6.3	<p>A listed entity should disclose the policies and processes it has in place to facilitate and encourage participation at meetings of security holders.</p>
	<p>Adopted – The Company has adopted a Shareholder Communication Policy which can be found on the Company's website at http://pancon.com.au/about-us/corporate-governance/</p> <p>The Policy covers the Company's belief that general meetings are an effective means of communicating with Shareholders. The Company provides information in the Notice of Meeting that is presented in a clear, concise and effective manner. Meetings are held during business hours, at a central location convenient for the largest number of Investors to attend. Shareholders are encouraged to attend and take note of the Chairman's address as well as vote on the resolutions presented to the meeting. Upon completion of formal matters, the Chief Executive Officer provides attendees with an update of activities via a company presentation. This provides Investors with an opportunity to ask questions, express their views or just meet the Company representatives.</p>
6.4	<p>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>
	<p>Adopted – Security holders have the option of receiving communications from the Company and its Share Registry electronically. The Contact Us section of the Company's website http://pancon.com.au/contact-us provides an opportunity for security holders to send communications to the Company electronically. The website has been specifically designed so that it is user friendly on all devices from laptops to phones.</p> <p>Electronic communication is not only cost effective, it provides Investors with real time updates on the activities of the Company.</p>



	<p>The Company's website provides a tab where Stakeholders can join the Company's mailing list which will enable them to receive electronic communication each time the Company lodges an announcement on the ASX or provides a media update.</p> <p>Advanced Share Registry and the Company review and monitor opportunities to increase the use of electronic communication with its Shareholders.</p>
PRINCIPLE 7 – RECOGNISE AND MANAGE RISK	
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> <ol style="list-style-type: none"> (1) has at least three members, a majority of whom are independent directors; and (2) is chaired by an independent director, and disclose: (3) the charter of the committee; (4) the members of the committee; and (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>(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>Not Adopted - The full Board fulfils the role of the Risk Committee.</p> <p>The Board considers those matters that would ordinarily be the responsibility of a Risk Committee and no separate meetings were held as the Risk Committee during the year. The Company's Risk Management Policy (a summary of which can be found at http://pancon.com.au/about-us/corporate-governance/) is applied when reviewing and discussing risk management matters.</p> <p>In managing risk, it is the Company's practice to take advantage of potential opportunities while managing potential adverse effects. The Company's Risk Management Policy sets out the Company's risk management system and processes as well as the Company's Risk Profile.</p> <p>The Policy covers the following risk related points and is used as a means to assess the Company's risk management structure:</p> <ul style="list-style-type: none"> • The role of the Board and delegated responsibility – ultimate responsibility rests with the Board, however day to day management of risk is the responsibility of the CEO with the assistance of Senior Management • The role of the CEO and accountabilities • Authority of the CEO • Risk Profile • Audit Committee Charter • Regular budgeting and financial reporting • Clear limits and authorities for expenditure levels • Procedures for compliance with continuous disclosure obligations under the Listing Rules • Procedures to assist with establishing and administering corporate governance systems and disclosure requirements • Responsibility to Stakeholders • Continuous improvement
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>Adopted – The Board and Management assess risk as part of the ordinary course of business activities such as strategic planning, promotion, budgets, mergers and acquisitions, strategic partnerships, legislative changes and conducting business abroad. Each Board Meeting is used as a platform for the review and assessment of the Company's risk profile.</p>
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>Adopted – The Company discloses that it does not have an internal audit function.</p> <p>The Company’s risk management system is overseen by Management who ensure that the identification, monitoring and response of business risks.</p> <p>The Board reviews Management’s assessment of the efficiency of the system and according to the Risk Management Policy is required to satisfy itself that Management has developed and implemented a sound system of risk management and internal control.</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>Adopted – The Company values economic, environmental and social sustainability in areas within which it operates.</p> <p>The Company has adopted a Corporate Governance Manual which sets out the policies and procedures in place which apply to the Board, Management, Employees and the entire business. The policies and procedures are designed to assist in identifying relevant risks and having processes in place to mitigate if not eliminate the risk.</p> <ul style="list-style-type: none"> • Economic sustainability refers to the ability of a listed entity to continue operating at a particular level of economic production over the long term. • Environmental sustainability refers to the ability of a listed entity to continue operating in a manner that does not compromise the health of the ecosystems in which it operates over the long term. • Social sustainability is the ability of a listed entity to continue operating in a manner that meets accepted social norms and needs over the long term. <p>Risks identified that may have a material effect on the Company include:</p> <ul style="list-style-type: none"> • Oil price volatility as well as currency fluctuations in the Australian and United States dollars. The state of the oil and gas industry is affected by the oil price. Although the Company is not in production and there is not a material business risk in that regard, the Company’s operations are affected due to exploration budgets and overall activity in the exploration sector; • Currently all of Pancontinental’s assets are managed by Joint Venture Operators who are responsible for the day to day operations of the permits. As such, regular review of the Joint Venture activities is crucial in safeguarding the assets of the Company. Technical and financial Executives review the work programmes and budgets in place to ensure compliance with approved documents. Updates on operational activities are provided by the Joint Venture partners on a regular basis and will include any environmental operational issues if applicable; • Conducting business in foreign jurisdictions carries with it a risk of change in business, legal, tax, accounting, political, environmental and technical practices for example, which may have a material effect on the Company. Pancontinental monitors joint venture partners working in those jurisdictions as well as local news developments to ensure that if a risk presents itself the Company is well equipped with sufficient time to decide on a course of action; • The Company is committed to providing all Employees, Executives and Directors with a safe and productive work environment. There are environmental and location risks that the Company may face, however the Corporate Governance Manual and the procedures and policies within it should assist in assessing the best course of action to mitigate or eliminate the risk; • For expenditure that the Company has control of, it will endeavour to use sustainable and ethically sourced products that have little or no impact on the environment.



PRINCIPLE 8 – REMUNERATE FAIRLY AND RESPONSIBLY	
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>Not Adopted – The full Board fulfils the role of the Remuneration Committee.</p> <p>The Board considers those matters that would ordinarily be the responsibility of a Remuneration Committee and no separate meetings were held as the Remuneration Committee during the year. The Board has adopted a Remuneration Committee Charter which is disclosed on the Company's website at http://pancon.com.au/about-us/corporate-governance/. The Charter as well as the Company's Remuneration Policy is applied when convening to discuss Remuneration Committee matters.</p> <p>Emoluments of Directors and Senior Executives are set by reference to payments made by other companies of a similar size and industry, and by reference to the skills and experience of the Directors and Executives. Details of the nature and amount of emoluments of each Director of the Company are disclosed annually in the Company's annual report.</p> <p>Should circumstances arise where the Board needs assistance on a remuneration matter, the Board after requisite approval may engage a remuneration consultant to ensure the level of remuneration in the Company is appropriate for its size, level of activity and industry.</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>Adopted - The Company has adopted a Remuneration Committee Charter which can be found on the Company's website at http://pancon.com.au/about-us/corporate-governance/. The Charter separately discloses the processes regarding the remuneration of Non-Executive Directors and the remuneration of Executive Directors and other Senior Executives.</p> <p><u>Executive Remuneration</u></p> <p>In considering the level of remuneration for Executives, the matters that are taken into account include:</p> <ul style="list-style-type: none"> • Remuneration which motivates Executives to pursue the long term growth and success of the Company within an appropriate control framework; • A clear correlation between performance and remuneration; • Align the interests of key leadership with the long term interests of the Company's Shareholder; and • Prohibit Executives from entering into transactions which limit the economic risk of participating in unvested entitlement. <p><u>Non-Executive Remuneration</u></p> <p>Matters of consideration include:</p> <ul style="list-style-type: none"> • Fees paid to Non-Executive Directors are within the aggregate amount approved by Shareholders; • Non-Executive Directors to be remunerated by way of fees; • Non-Executive Directors are not provided with retirement benefits other than statutory superannuation; and • Non-Executive Directors are not entitled to participate in equity-based remuneration schemes designed for Executives without due consideration and appropriate disclosure to the Company Shareholders.



8.3	<p>A listed entity which has an equity-based remuneration scheme should:</p> <ul style="list-style-type: none">(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.
	<p>Adopted - The Company has adopted a Policy for Trading in Company Securities which can be found on the Company's website at http://pancon.com.au/about-us/corporate-governance/</p> <p>Directors, Officers and Employees who wish to trade in Company securities must first have regard to the statutory provisions of the Corporations Act 2001 dealing with insider trading, in conjunction with the Company's Policy for Trading in Company Securities. The policy has been developed so that all Company employees and representatives are clear as to their obligations with regard to trading while in possession of insider information.</p>