# Appendix 4G

# Key to Disclosures
## Corporate Governance Council Principles and Recommendations

Name of entity

Po Valley Energy Limited

ABN/ARBN

087 741 571

Financial year ended:

31 December 2022

Our corporate governance statement[1] for the period above can be found at:[2]

☐ These pages of our annual report:

☒ This URL on our website: https://www.povalley.com/company/corporate-governance

The Corporate Governance Statement is accurate and up to date as at 31 March 2023 and has been approved by the board.

The annexure includes a key to where our corporate governance disclosures can be located.[3]

| | |
|---|---|
| Date: | 31 March 2023 |
| Name of authorised officer authorising lodgement: | Kevin Bailey AM, Chairman |

[1] "Corporate governance statement" is defined in Listing Rule 19.12 to mean the statement referred to in Listing Rule 4.10.3 which discloses the extent to which an entity has followed the recommendations set by the ASX Corporate Governance Council during a particular reporting period.

Listing Rule 4.10.3 requires an entity that is included in the official list as an ASX Listing to include in its annual report either a corporate governance statement that meets the requirements of that rule or the URL of the page on its website where such a statement is located. The corporate governance statement must disclose the extent to which the entity has followed the recommendations set by the ASX Corporate Governance Council during the reporting period. If the entity has not followed a recommendation for any part of the reporting period, its corporate governance statement must separately identify that recommendation and the period during which it was not followed and state its reasons for not following the recommendation and what (if any) alternative governance practices it adopted in lieu of the recommendation during that period.

Under Listing Rule 4.7.4, if an entity chooses to include its corporate governance statement on its website rather than in its annual report, it must lodge a copy of the corporate governance statement with ASX at the same time as it lodges its annual report with ASX. The corporate governance statement must be current as at the effective date specified in that statement for the purposes of Listing Rule 4.10.3.

Under Listing Rule 4.7.3, an entity must also lodge with ASX a completed Appendix 4G at the same time as it lodges its annual report with ASX. The Appendix 4G serves a dual purpose. It acts as a key designed to assist readers to locate the governance disclosures made by a listed entity under Listing Rule 4.10.3 and under the ASX Corporate Governance Council's recommendations. It also acts as a verification tool for listed entities to confirm that they have met the disclosure requirements of Listing Rule 4.10.3.

The Appendix 4G is not a substitute for, and is not to be confused with, the entity's corporate governance statement. They serve different purposes and an entity must produce each of them separately.

[2] Tick whichever option is correct and then complete the page number(s) of the annual report, or the URL of the web page, where your corporate governance statement can be found. You can, if you wish, delete the option which is not applicable.

[3] Throughout this form, where you are given two or more options to select, you can, if you wish, delete any option which is not applicable and just retain the option that is applicable. If you select an option that includes "OR" at the end of the selection and you delete the other options, you can also, if you wish, delete the "OR" at the end of the selection.

See notes 4 and 5 below for further instructions on how to complete this form.

## ANNEXURE – KEY TO CORPORATE GOVERNANCE DISCLOSURES

| Corporate Governance Council recommendation | | Where a box below is ticked,[4] we have followed the recommendation in full for the whole of the period above. We have disclosed this in our Corporate Governance Statement: | Where a box below is ticked, we have NOT followed the recommendation in full for the whole of the period above. Our reasons for not doing so are:[5] |
|---|---|---|---|
| **PRINCIPLE 1 – LAY SOLID FOUNDATIONS FOR MANAGEMENT AND OVERSIGHT** | | | |
| 1.1 | A listed entity should have and disclose a board charter setting out:<br>(a) the respective roles and responsibilities of its board and management; and<br>(b) those matters expressly reserved to the board and those delegated to management. | ☒<br>and we have disclosed a copy of our board charter at:<br>Corporate Governance Statement<br>https://www.povalley.com/company/corporate-governance | ☐ set out in our Corporate Governance Statement **OR**<br>☐ we are an externally managed entity and this recommendation is therefore not applicable |
| 1.2 | A listed entity should:<br>(a) undertake appropriate checks before appointing a director or senior executive or putting someone forward for election as a director; and<br>(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. | ☒ | ☐ set out in our Corporate Governance Statement **OR**<br>☐ we are an externally managed entity and this recommendation is therefore not applicable |
| 1.3 | A listed entity should have a written agreement with each director and senior executive setting out the terms of their appointment. | ☒ | ☐ set out in our Corporate Governance Statement **OR**<br>☐ we are an externally managed entity and this recommendation is therefore not applicable |
| 1.4 | The company secretary of a listed entity should be accountable directly to the board, through the chair, on all matters to do with the proper functioning of the board. | ☒ | ☐ set out in our Corporate Governance Statement **OR**<br>☐ we are an externally managed entity and this recommendation is therefore not applicable |

[4] Tick the box in this column only if you have followed the relevant recommendation in full for the whole of the period above. Where the recommendation has a disclosure obligation attached, you must insert the location where that disclosure has been made, where indicated by the line with "*insert location*" underneath. If the disclosure in question has been made in your corporate governance statement, you need only insert "our corporate governance statement". If the disclosure has been made in your annual report, you should insert the page number(s) of your annual report (eg "pages 10-12 of our annual report"). If the disclosure has been made on your website, you should insert the URL of the web page where the disclosure has been made or can be accessed (eg "www.entityname.com.au/corporate governance/charters/").

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

| **Corporate Governance Council recommendation** | | **Where a box below is ticked,[4] we have followed the recommendation in full for the whole of the period above. We have disclosed this in our Corporate Governance Statement:** | **Where a box below is ticked, we have NOT followed the recommendation in full for the whole of the period above. Our reasons for not doing so are:[5]** |
|---|---|---|---|
| 1.5 | A listed entity should:<br>(a) have and disclose a diversity policy;<br>(b) through its board or a committee of the board set measurable objectives for achieving gender diversity in the composition of its board, senior executives and workforce generally; and<br>(c) disclose in relation to each reporting period:<br>(1) the measurable objectives set for that period to achieve gender diversity;<br>(2) the entity's progress towards achieving those objectives; and<br>(3) either:<br>(A) the respective proportions of men and women on the board, in senior executive positions and across the whole workforce (including how the entity has defined "senior executive" for these purposes); or<br>(B) if the entity is a "relevant employer" under the Workplace Gender Equality Act, the entity's most recent "Gender Equality Indicators", as defined in and published under that Act.<br>If the entity was in the S&P / ASX 300 Index at the commencement of the reporting period, the measurable objective for achieving gender diversity in the composition of its board should be to have not less than 30% of its directors of each gender within a specified period. | ☐<br>and we have disclosed a copy of our diversity policy at:<br>……<br>[*insert location*]<br>and we have disclosed the information referred to in paragraph (c) at:<br>……<br>[*insert location*]<br>and if we were included in the S&P / ASX 300 Index at the commencement of the reporting period our measurable objective for achieving gender diversity in the composition of its board of not less than 30% of its directors of each gender within a specified period. | ☒ set out in our Corporate Governance Statement **OR**<br>☐ we are an externally managed entity and this recommendation is therefore not applicable |
| 1.6 | A listed entity should:<br>(a) have and disclose a process for periodically evaluating the performance of the board, its committees and individual directors; and<br>(b) disclose for each reporting period whether a performance evaluation has been undertaken in accordance with that process during or in respect of that period. | ☐<br>and we have disclosed the evaluation process referred to in paragraph (a) at:<br>……<br>[*insert location*]<br>and whether a performance evaluation was undertaken for the reporting period in accordance with that process at:<br>……<br>[*insert location*] | ☒ set out in our Corporate Governance Statement **OR**<br>☐ we are an externally managed entity and this recommendation is therefore not applicable |

| **Corporate Governance Council recommendation** | | **Where a box below is ticked,[4] we have followed the recommendation in full for the whole of the period above. We have disclosed this in our Corporate Governance Statement:** | **Where a box below is ticked, we have NOT followed the recommendation in full for the whole of the period above. Our reasons for not doing so are:[5]** |
|---|---|---|---|
| 1.7 | A listed entity should:<br>(a) have and disclose a process for evaluating the performance of its senior executives at least once every reporting period; and<br>(b) disclose for each reporting period whether a performance evaluation has been undertaken in accordance with that process during or in respect of that period. | ☐<br>and we have disclosed the evaluation process referred to in paragraph (a) at:<br>……<br>[*insert location*]<br>and whether a performance evaluation was undertaken for the reporting period in accordance with that process at:<br>……<br>[*insert location*] | ☒ set out in our Corporate Governance Statement **OR**<br>☐ we are an externally managed entity and this recommendation is therefore not applicable |

| **Corporate Governance Council recommendation** | | **Where a box below is ticked,[4] we have followed the recommendation in full for the whole of the period above. We have disclosed this in our Corporate Governance Statement:** | **Where a box below is ticked, we have NOT followed the recommendation in full for the whole of the period above. Our reasons for not doing so are:[5]** |
|---|---|---|---|
| **PRINCIPLE 2 - STRUCTURE THE BOARD TO BE EFFECTIVE AND ADD VALUE** | | | |
| 2.1 | The board of a listed entity should:<br>(a) have a nomination committee which:<br>(1) has at least three members, a majority of whom are independent directors; and<br>(2) is chaired by an independent director,<br>and disclose:<br>(3) the charter of the committee;<br>(4) the members of the committee; and<br>(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<br>(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. | ☒<br>and we have disclosed the fact that we do not have a nomination committee and the processes we employ to address board succession issues and to ensure that the board has the appropriate balance of skills, knowledge, experience, independence and diversity to enable it to discharge its duties and responsibilities effectively at:<br>Corporate Governance Statement at https://www.povalley.com/company/corporate-governance | ☐ set out in our Corporate Governance Statement **OR**<br>☐ we are an externally managed entity and this recommendation is therefore not applicable |
| 2.2 | A listed entity should have and disclose a board skills matrix setting out the mix of skills that the board currently has or is looking to achieve in its membership. | ☐<br>and we have disclosed our board skills matrix at:<br>.....<br>[*insert location*] | ☒ set out in our Corporate Governance Statement **OR**<br>☐ we are an externally managed entity and this recommendation is therefore not applicable |

| **Corporate Governance Council recommendation** | | **Where a box below is ticked,[4] we have followed the recommendation in full for the whole of the period above. We have disclosed this in our Corporate Governance Statement:** | **Where a box below is ticked, we have NOT followed the recommendation in full for the whole of the period above. Our reasons for not doing so are:[5]** |
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| 2.3 | A listed entity should disclose:<br>(a) the names of the directors considered by the board to be independent directors;<br>(b) if a director has an interest, position, affiliation 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 or relationship in question and an explanation of why the board is of that opinion; and<br>(c) the length of service of each director. | ☒<br>and we have disclosed the names of the directors considered by the board to be independent directors at:<br>Corporate Governance statement<br>https://www.povalley.com/company/corporate-governance<br>and, where applicable, the information referred to in paragraph (b) at:<br>Corporate Governance statement<br>https://www.povalley.com/company/corporate-governance<br>and the length of service of each director at:<br>Corporate Governance statement<br>https://www.povalley.com/company/corporate-governance<br>and<br>Directors' report of the Company's 2022 Annual report | ☐ set out in our Corporate Governance Statement |
| 2.4 | A majority of the board of a listed entity should be independent directors. | ☐ | ☒ set out in our Corporate Governance Statement **OR**<br>☐ we are an externally managed entity and this recommendation is therefore not applicable |
| 2.5 | The chair of the board of a listed entity should be an independent director and, in particular, should not be the same person as the CEO of the entity. | ☐ | ☒ set out in our Corporate Governance Statement **OR**<br>☐ we are an externally managed entity and this recommendation is therefore not applicable |
| 2.6 | A listed entity should have a program for inducting new directors and for periodically reviewing whether there is a need for existing directors to undertake professional development to maintain the skills and knowledge needed to perform their role as directors effectively. | ☒ | ☐ set out in our Corporate Governance Statement **OR**<br>☐ we are an externally managed entity and this recommendation is therefore not applicable |

| Corporate Governance Council recommendation | | Where a box below is ticked,[4] we have followed the recommendation in full for the whole of the period above. We have disclosed this in our Corporate Governance Statement: | Where a box below is ticked, we have NOT followed the recommendation in full for the whole of the period above. Our reasons for not doing so are:[5] |
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| **PRINCIPLE 3 – INSTIL A CULTURE OF ACTING LAWFULLY, ETHICALLY AND RESPONSIBLY** | | | |
| 3.1 | A listed entity should articulate and disclose its values. | ☐<br>and we have disclosed our values at: | ☒ set out in our Corporate Governance Statement |
| 3.2 | A listed entity should:<br>(a) have and disclose a code of conduct for its directors, senior executives and employees; and<br>(b) ensure that the board or a committee of the board is informed of any material breaches of that code. | ☒<br>and we have disclosed our code of conduct at:<br>https://www.povalley.com/company/corporate-governance | ☐ set out in our Corporate Governance Statement |
| 3.3 | A listed entity should:<br>(a) have and disclose a whistleblower policy; and<br>(b) ensure that the board or a committee of the board is informed of any material incidents reported under that policy. | ☒<br>and we have disclosed our whistleblower policy at:<br>https://www.povalley.com/company/corporate-governance | ☐ set out in our Corporate Governance Statement |
| 3.4 | A listed entity should:<br>(a) have and disclose an anti-bribery and corruption policy; and<br>(b) ensure that the board or committee of the board is informed of any material breaches of that policy. | ☒<br>and we have disclosed our anti-bribery and corruption policy at:<br>https://www.povalley.com/company/corporate-governance | ☐ set out in our Corporate Governance Statement |

| Corporate Governance Council recommendation | | Where a box below is ticked,[4] we have followed the recommendation in full for the whole of the period above. We have disclosed this in our Corporate Governance Statement: | Where a box below is ticked, we have NOT followed the recommendation in full for the whole of the period above. Our reasons for not doing so are:[5] |
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| **PRINCIPLE 4 – SAFEGUARD THE INTEGRITY OF CORPORATE REPORTS** | | | |
| 4.1 | The board of a listed entity should:<br>(a) have an audit committee which:<br>(1) has at least three members, all of whom are non-executive directors and a majority of whom are independent directors; and<br>(2) is chaired by an independent director, who is not the chair of the board,<br>and disclose:<br>(3) the charter of the committee;<br>(4) the relevant qualifications and experience of the members of the committee; and<br>(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<br>(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. | ☒<br>and we have disclosed the fact that we do not have an audit committee and the processes we employ that independently verify and safeguard the integrity of our corporate reporting, including the processes for the appointment and removal of the external auditor and the rotation of the audit engagement partner at:<br>Corporate Governance statement<br>https://www.povalley.com/company/corporate-governance | ☐ set out in our Corporate Governance Statement |
| 4.2 | 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. | ☒ | ☐ set out in our Corporate Governance Statement |
| 4.3 | A listed entity should disclose its process to verify the integrity of any periodic corporate report it releases to the market that is not audited or reviewed by an external auditor. | ☒ | ☐ set out in our Corporate Governance Statement |

| Corporate Governance Council recommendation | | Where a box below is ticked,[4] we have followed the recommendation in full for the whole of the period above. We have disclosed this in our Corporate Governance Statement: | Where a box below is ticked, we have NOT followed the recommendation in full for the whole of the period above. Our reasons for not doing so are:[5] |
|---|---|---|---|
| **PRINCIPLE 5 – MAKE TIMELY AND BALANCED DISCLOSURE** | | | |
| 5.1 | A listed entity should have and disclose a written policy for complying with its continuous disclosure obligations under listing rule 3.1. | ☒<br>and we have disclosed our continuous disclosure compliance policy at:<br>https://www.povalley.com/company/corporate-governance | ☐ set out in our Corporate Governance Statement |
| 5.2 | A listed entity should ensure that its board receives copies of all material market announcements promptly after they have been made. | ☒ | ☐ set out in our Corporate Governance Statement |
| 5.3 | A listed entity that gives a new and substantive investor or analyst presentation should release a copy of the presentation materials on the ASX Market Announcements Platform ahead of the presentation. | ☒ | ☐ set out in our Corporate Governance Statement |
| **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. | ☒<br>and we have disclosed information about us and our governance on our website at:<br>https://www.povalley.com/company/corporate-governance | ☐ set out in our Corporate Governance Statement |
| 6.2 | A listed entity should have an investor relations program that facilitates effective two-way communication with investors. | ☐ | ☒ set out in our Corporate Governance Statement |
| 6.3 | A listed entity should disclose how it facilitates and encourages participation at meetings of security holders. | ☒<br>and we have disclosed how we facilitate and encourage participation at meetings of security holders at:<br>Corporate Governance statement<br>https://www.povalley.com/company/corporate-governance | ☐ set out in our Corporate Governance Statement |
| 6.4 | A listed entity should ensure that all substantive resolutions at a meeting of security holders are decided by a poll rather than by a show of hands. | ☒ | ☐ set out in our Corporate Governance Statement |
| 6.5 | A listed entity should give security holders the option to receive communications from, and send communications to, the entity and its security registry electronically. | ☒ | ☐ set out in our Corporate Governance Statement |

| Corporate Governance Council recommendation | | Where a box below is ticked,[4] we have followed the recommendation in full for the whole of the period above. We have disclosed this in our Corporate Governance Statement: | Where a box below is ticked, we have NOT followed the recommendation in full for the whole of the period above. Our reasons for not doing so are:[5] |
|---|---|---|---|
| **PRINCIPLE 7 – RECOGNISE AND MANAGE RISK** | | | |
| 7.1 | The board of a listed entity should:<br>(a) have a committee or committees to oversee risk, each of which:<br>(1) has at least three members, a majority of whom are independent directors; and<br>(2) is chaired by an independent director,<br>and disclose:<br>(3) the charter of the committee;<br>(4) the members of the committee; and<br>(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<br>(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. | ☒<br>and we have disclosed the fact that we do not have a risk committee or committees that satisfy (a) and the processes we employ for overseeing our risk management framework at:<br>Corporate Governance statement<br>https://www.povalley.com/company/corporate-governance | ☐ set out in our Corporate Governance Statement |
| 7.2 | The board or a committee of the board should:<br>(a) review the entity's risk management framework at least annually to satisfy itself that it continues to be sound and that the entity is operating with due regard to the risk appetite set by the board; and<br>(b) disclose, in relation to each reporting period, whether such a review has taken place. | ☐<br>and we have disclosed whether a review of the entity's risk management framework was undertaken during the reporting period at: | ☒ set out in our Corporate Governance Statement |
| 7.3 | A listed entity should disclose:<br>(a) if it has an internal audit function, how the function is structured and what role it performs; or<br>(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 governance, risk management and internal control processes. | ☒<br>and we have disclosed the fact that we do not have an internal audit function and the processes we employ for evaluating and continually improving the effectiveness of our risk management and internal control processes at:<br>Corporate Governance statement<br>https://www.povalley.com/company/corporate-governance | ☐ set out in our Corporate Governance Statement |

| **Corporate Governance Council recommendation** | | **Where a box below is ticked,[4] we have followed the recommendation in full for the whole of the period above. We have disclosed this in our Corporate Governance Statement:** | **Where a box below is ticked, we have NOT followed the recommendation in full for the whole of the period above. Our reasons for not doing so are:[5]** |
|---|---|---|---|
| 7.4 | A listed entity should disclose whether it has any material exposure to environmental or social risks and, if it does, how it manages or intends to manage those risks. | ☒<br>and we have disclosed whether we have any material exposure to environmental and social risks at:<br>Company's 2022 Annual Report pages 8 to 10<br>and, if we do, how we manage or intend to manage those risks at:<br>Corporate Governance statement<br>https://www.povalley.com/company/corporate-governance | ☐ set out in our Corporate Governance Statement |

| **Corporate Governance Council recommendation** | | **Where a box below is ticked,[4] we have followed the recommendation in full for the whole of the period above. We have disclosed this in our Corporate Governance Statement:** | **Where a box below is ticked, we have NOT followed the recommendation in full for the whole of the period above. Our reasons for not doing so are:[5]** |
|---|---|---|---|
| **PRINCIPLE 8 – REMUNERATE FAIRLY AND RESPONSIBLY** | | | |
| 8.1 | The board of a listed entity should:<br>(a) have a remuneration committee which:<br>(1) has at least three members, a majority of whom are independent directors; and<br>(2) is chaired by an independent director,<br>and disclose:<br>(3) the charter of the committee;<br>(4) the members of the committee; and<br>(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<br>(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. | ☒<br>and we have disclosed the fact that we do not have a remuneration committee and the processes we employ for setting the level and composition of remuneration for directors and senior executives and ensuring that such remuneration is appropriate and not excessive:<br>Corporate Governance statement<br>https://www.povalley.com/company/corporate-governance | ☐ set out in our Corporate Governance Statement **OR**<br>☐ we are an externally managed entity and this recommendation is therefore not applicable |
| 8.2 | 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. | ☒<br>and we have disclosed separately our remuneration policies and practices regarding the remuneration of non-executive directors and the remuneration of executive directors and other senior executives at:<br>Directors report in 2022 Company Annual report | ☐ set out in our Corporate Governance Statement **OR**<br>☐ we are an externally managed entity and this recommendation is therefore not applicable |
| 8.3 | A listed entity which has an equity-based remuneration scheme should:<br>(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<br>(b) disclose that policy or a summary of it. | ☐<br>and we have disclosed our policy on this issue or a summary of it at:<br>……<br>[*insert location*] | ☐ set out in our Corporate Governance Statement **OR**<br>☒ we do not have an equity-based remuneration scheme and this recommendation is therefore not applicable **OR**<br>☐ we are an externally managed entity and this recommendation is therefore not applicable |

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|---|---|---|---|
| **ADDITIONAL RECOMMENDATIONS THAT APPLY ONLY IN CERTAIN CASES** | | | |
| 9.1 | A listed entity with a director who does not speak the language in which board or security holder meetings are held or key corporate documents are written should disclose the processes it has in place to ensure the director understands and can contribute to the discussions at those meetings and understands and can discharge their obligations in relation to those documents. | ☐<br>and we have disclosed information about the processes in place at:<br>……<br>[*insert location*] | ☐ set out in our Corporate Governance Statement **OR**<br>☒ we do not have a director in this position and this recommendation is therefore not applicable **OR**<br>☐ we are an externally managed entity and this recommendation is therefore not applicable |
| 9.2 | A listed entity established outside Australia should ensure that meetings of security holders are held at a reasonable place and time. | ☐ | ☐ set out in our Corporate Governance Statement **OR**<br>☒ we are established in Australia and this recommendation is therefore not applicable **OR**<br>☐ we are an externally managed entity and this recommendation is therefore not applicable |
| 9.3 | A listed entity established outside Australia, and an externally managed 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. | ☐ | ☐ set out in our Corporate Governance Statement **OR**<br>☒ we are established in Australia and not an externally managed listed entity and this recommendation is therefore not applicable<br>☐ we are an externally managed entity that does not hold an AGM and this recommendation is therefore not applicable |
| **ADDITIONAL DISCLOSURES APPLICABLE TO EXTERNALLY MANAGED LISTED ENTITIES** | | | |
| - | *Alternative to Recommendation 1.1 for externally managed listed entities:*<br>The responsible entity of an externally managed listed entity should disclose:<br>(a) the arrangements between the responsible entity and the listed entity for managing the affairs of the listed entity; and<br>(b) the role and responsibility of the board of the responsible entity for overseeing those arrangements. | ☐<br>and we have disclosed the information referred to in paragraphs (a) and (b) at:<br>……<br>[*insert location*] | ☐ set out in our Corporate Governance Statement |

| **Corporate Governance Council recommendation** | | **Where a box below is ticked,[4] we have followed the recommendation in full for the whole of the period above. We have disclosed this in our Corporate Governance Statement:** | **Where a box below is ticked, we have NOT followed the recommendation in full for the whole of the period above. Our reasons for not doing so are:[5]** |
|---|---|---|---|
| - | *Alternative to Recommendations 8.1, 8.2 and 8.3 for externally managed listed entities:*<br>An externally managed listed entity should clearly disclose the terms governing the remuneration of the manager. | ☐<br>and we have disclosed the terms governing our remuneration as manager of the entity at:<br>……<br>[*insert location*] | ☐ set out in our Corporate Governance Statement |

**CORPORATE GOVERNANCE STATEMENT 2022 –31 MARCH 2023**

**PO VALLEY ENERGY LIMITED**

**(ACN 087 741 571)**

The Board of Po Valley Energy Limited ("Po Valley Energy" or the "Company" or "PVE") is committed to the principles underpinning good corporate governance, applied in a manner which is most suited to Po Valley Energy, and to best addressing the directors' accountability to security holders and other stakeholders. This is supported by a commitment to the highest standards of legislative compliance and financial and ethical behaviour.

The Company continues to address directors' accountability to stakeholders in a manner consistent with the Company's individual circumstances enhanced through the introduction of publicly available policies and procedures which are designed to foster a culture of transparency in the way Po Valley Energy is directed and managed.

The Board has adopted, and endorses the ASX Corporate Governance Principles and Recommendations (4th Edition) as amended from time to time ("Recommendations") and has adopted the Recommendations that are considered appropriate for the Company given its size and the scope of its proposed activities. Details of the Company's compliance with the Recommendations for the reporting period, in this case the 12-month period ending 31 December 2022 ("Reporting Period") are set out below.

The Company has elected to publish its Corporate Governance Statement on its website and will lodge annually an Appendix 4G which sets out a Key to Disclosures Corporate Governance Council Principles and Recommendations at the same time it lodges its Annual Report.

Where the Company's corporate governance practices follow the Recommendations, the Board has made appropriate statements reporting on the adoption of the Recommendations. In compliance with the "if not, why not" reporting regime, where, after due consideration, the Board has elected not to follow specific Recommendations, the Board has explained its reasons for not following the Recommendations and disclosed what, if any, alternative practices the Company has adopted instead of those set out in the Recommendations.

This Corporate Governance Statement reports against the Recommendations and the practices detailed in this Corporate Governance Statement are current as at 31 March 2023. It has been approved by the Board and is available on Po Valley Energy's website at https://www.povalley.com/company/corporate-governance.

**The Board of Directors**

**Board and Management Roles**

The primary responsibility of the Board and management is to preserve and increase the value of the Company for its shareholders, while respecting the legitimate interests and expectations of employees, customers, creditors, the communities in which the Company operates and other stakeholders. The Board is responsible for establishing a company culture of high ethical, environmental, health and safety standards.

**Board Responsibilities**

The Board has general responsibility for the oversight, management and performance of the Company. The Board currently consists of four Directors. Due to the size of the Board, matters which are often delegated to committees such as audit, risk and remuneration are encompassed within the normal operations of the Board.

The Board's specific responsibilities include the following:

- set the strategic direction for the Company and monitor its implementation and ongoing development;
- monitor performance of the Company, the Board and management;
- appoint and manage performance of the Chief Executive Officer, Chief Financial Officer and Company Secretary and approve the Company's overall remuneration policy and oversee the senior management team in terms of performance evaluation, succession planning and remuneration;
- approve and monitor the business plan, annual exploration and development work programs and budgets in accordance with the approved strategy and monitor the Company's overall financial position and capital requirements;
- authorise and monitor significant investment and strategic commitments;
- approve and monitor financial and other reporting to shareholders including the approval of the annual and half-yearly financial reports and quarterly reports;
- review and ratify the Company's policies and systems for health, safety and environmental management, risk management and internal control, codes of conduct and regulatory compliance;
- oversee the entity's process for making timely and balanced disclosure of all material information;
- appoint and remove the external auditors;
- evaluate the performance of the Board and identify and appoint new directors to the Board; and
- take responsibility for corporate governance.

**Delegation to Senior Management**

Other than the matters specifically reserved for the Board, responsibility for the operation and administration of the Company has been delegated to senior management. Internal control processes are in place to allow management to operate within Board approved limits and management cannot commit the Company to additional obligations or expenditure outside of those delegated authorities without Board approval.

**Composition of the Board**

Election of the Board members is substantially the province of the Shareholders in general meeting.

The current Board of Directors is as follows:

| Name | Position | Length of service |
|---|---|---|
| Mr Kevin Bailey AM | Chairman | Since 22 April 2016 (as Chairman since 2 May 2022) |
| Ms Sara Edmonson | Non-executive Director | Since 23 December 2019 |
| Mr Joseph Constable | Non-executive Director | Since 30 November 2021 |
| Ms Katrina O'Leary | Non-executive Director | Since 2 May 2022 |

The Board is comprised of Chairman and three non-executive directors. Two of the four directors are deemed not to be independent by virtue of either their length of service, their substantial shareholdings in the Company or having held an executive position in the three years prior to serving on the Board (for details of the directors' shareholdings refer to the Directors Report in the Company's 2022 Annual Report).

**Skills and Experience**

The Board has been structured to include directors with a versatile set of skills, expertise and experience to enable the Board to execute its duties and responsibilities for the proper and effective management of the Company. The Board seeks to ensure that its members together have the following combination of skills and experience:

- experience in oil and gas exploration, development and production;
- finance and accounting;
- company strategy and business planning and business and corporate development;
- local and international experience; and
- public company affairs and corporate governance.

The Directors Report in the Company's 2022 Annual Report contains further details of the experience of each Director and their term of office.

The Company does not have a formal board skills matrix and as such does not comply with Recommendation 2.2. The Board considers that its current composition is appropriate for the activities and size of its operations that the Company is currently undertaking. The Board will consider the skill, knowledge, experience, and independence of the Company's directors in response to any actual or proposed changes in the Company's activities or operations. The Board considers that it is in the best interests of the Company for the Board as a whole to determine the criteria for the selection of new directors, based on any perceived "gaps" in the skill set of the Board, as and when a casual vacancy arises.

**Independence**

The Board is comprised of the Chairman and three non-executive directors. Mr Bailey is deemed not to be independent by virtue his substantial shareholdings in the Company and Ms Edmonson, having held an executive position in the three years prior to appointment to the board is deemed not to be independent. Mr Constable and Ms O'Leary are considered to be independent. (For details of the directors' shareholdings and length of service and executive positions held refer to the Directors

Report in the Company's 2022 Annual Report).

The Board considers that each director's commitment to the aims and ambition of all shareholder of the Company outweighs any non-independence and each director brings an independent judgement to bear on all Board decisions.

**Chairman**

Mr Kevin Bailey AM was appointed as Chairman on 2 May 2022. Mr Bailey is not considered independent due to his substantial shareholding in the Company.

The Board has considered whether it would be beneficial to appoint an independent Chairman and has also considered the skills and qualifications or the existing directors and has elected not to adopt Recommendation 2.5 to appoint an independent chair as the board believes the current Board structure is the most appropriate at this time. Where required Mr Bailey excludes himself from any items of business where there may be a conflict.

**Director's appointment**

When considering the appointment of a new director, the Board conducts an analysis of the candidate's professional and technical experience and expertise, character, standing and reputation in the corporate community. The candidates are required to provide the Board with details of all other professional commitments so that the Board can evaluate whether the candidate has sufficient time to fulfil his or her role as a director and if applicable as a committee member of the Company. The Company also undertakes formal criminal history or bankruptcy checks at the time of appointment.

Where a candidate is standing for election or re-election as a Director, the Company will provide information regarding their biographical details, relevant qualifications, experience and skills they bring to the Board together with details of any other material directorships currently held.

If standing for the first time, the Company would undertake appropriate checks and advise if there were any material adverse information revealed by the checks the Company has performed about the candidate together with any interest, position, association or relationship that might influence, or reasonably be perceived to influence, in a material respect his or her capacity to bring an independent judgement to bear on issues before the Board and to act in the best interests of the Company and its security holders generally, and a statement to the effect that if the Board considers that the candidate will, if elected, qualify as an independent director.

Where a candidate seeks election or re-election the Board will issue a statement as to whether it supports the election or re-election of the candidate.

**Induction program**

Procedures for induction of new directors are in place to allow new directors to participate fully and actively in Board decision making at the earliest opportunity.

All directors are offered an induction program appropriate to their experience upon their appointment, so as to familiarise them with matters relating to the business, strategy and any current issues under consideration by the Board. This program consists of written background material on the Company and its operations, scheduled meetings with the Chairman and other senior executives as considered appropriate.

**Director education**

The Board does not have a formal programme for director education. Throughout the year, the Company Secretary provided directors with on-going information on matters such as corporate governance the Company's Constitution, and ASX Listing Rules. All directors have access to company records and information, and receive regular detailed financial and operational reports from senior management. In particular, Directors are, where appropriate provided with detailed financial, operational and management reports prior to each Board meeting.

The Company Secretary is available to all Directors and may be consulted on on-going issues of corporate governance, the Company's Constitution, and the ASX Listing Rules. In addition, the Chairman and other non-executive Directors consult with each other and the senior executives regularly.

**Executive director and non-executive director remuneration**

The aggregate remuneration of non-executive directors is approved by security holders. Individual directors' remuneration is determined by the Board within the approved aggregate total.

The directors of Po Valley Energy are:

- not entitled to participate in performance-based remuneration practices unless approved by security holders;
- currently remunerated by means of the payment of cash benefits in the form of directors' fees or alternatively by issue of securities in lieu of cash benefits provided it is approved by security holders; and
- Not entitled to any retirement benefits other than superannuation.

At the beginning of each year, the Board usually approves company and individual performance objectives for senior executives. Performance is evaluated and any performance-based remuneration for senior executives and management is approved following the end of each year.

Performance objectives are a combination of company and individual objectives. At the current stage of development, performance objectives were not set for 2022 and the review process described above will be re-implemented in 2023 if appropriate.

**Remuneration Policy disclosure**

The Company's policies relating to the remuneration of Directors and Senior Executives and the level of their remuneration are detailed annually in the Directors' Report contained within the Company's Annual Report and Notes to and forming part of the Financial Statements.

**Board Performance Evaluation**

The Board does not have a formal process for evaluating its performance but undertakes internal reviews of its composition and suitability for the Company where appropriate. The Board currently does not have any committees.

The Board oversees the performance evaluation of the senior executive team. The Board establishes performance objectives comprising a combination of strategic and operational company targets together with some specific individual objectives. The Board exercises its discretion when determining any payment of any incentives having regard to the overall performance of the Company and of the relevant executive during the year.

**Agreements with Directors and senior executives**

Po Valley Energy ensures that all Directors and senior executives enter into written agreements setting out the terms of their appointment to ensure that they have a clear understanding of their roles and responsibilities and of the Company's expectations of them.

**Company Secretary**

The Company Secretary reports to the Board, through the chair, on all matters relating to the functioning of the Board, and if and when applicable its committees, and corporate governance.

**Verification of periodic reports**

Periodic reports are provided on a minimum of a quarterly bases for the Company via the submission of quarterly activities reports and quarterly cash flow reports as required by the ASX. Activities reports are prepared by Management and circulated to the full Board for review and comment to ensure accuracy with the Directors' knowledge of operations during the quarter. Financial data is prepared and sent to the Board for review against Director's knowledge of operations for each quarter before approval for release to the market. No other periodic reports are currently prepared.

**Board Committees**

Due to the size and stage of development of the Company and the composition of the Board, the Board continues to hold the belief that there are no efficiencies to be gained from delegating responsibilities for audit and risk, remuneration and nomination issues to separate committees. The roles and responsibilities of the Audit & Risk Committee and Remuneration & Nominations Committee continue to be undertaken by the full Board.

*Remuneration & Nominations Committee Functions:*

The Board as a whole undertakes the process of reviewing the skills base and experience of existing directors to enable identification of skills, knowledge, experience, independence and diversity in new directors and assumes responsibility for the appointment of any new directors, the formulation of any succession plans, and the re-appointment of directors to the Board.

The Board have assumed the key responsibilities of establishing the remuneration for non-executive directors and Senior Executives including the Chief Executive Officer (where applicable), and setting and evaluating performance objectives for the Senior Executives. The role also includes any relevant matters relating to recruitment, retention and termination, and review of the Remuneration Report.

The Board, in setting remuneration levels, is mindful of the level of the base salary component of salaries paid to employees in equivalent positions in comparable companies in the same industry and considers the extent to which the proposed remuneration will motivate Senior Executives to pursue the long-term growth and success of the Company, and weighs this up against the Company's desire not to pay excessive remuneration. The Board also ensures that no individual is directly involved in determining the remuneration they will receive. The Board where and when needed will consult with external consultants and specialists.

The Company does not have in place any schemes for retirement benefits, other than superannuation, for non-executive directors.

The Board considers that due to the size of the Company and its management structure, the board is currently able to give due consideration to the Company's overall remuneration policies as part of its

regular board meetings. In setting the level and composition of remuneration for directors and senior executives the Board has regard to the performance and financial circumstances of the Company, individual performance and market rates paid for comparable roles in companies of similar size and market section.

*Audit Committee functions:*

The Board undertakes the role that the Audit committee performed with respect to the following:

- the maintenance of appropriate and reliable financial and management reporting systems;
- reviewing the Company's half-yearly and annual financial statements with respect to the adoption of these statements;
- ensuring compliance with ASX and statutory reporting requirements and application of accounting standards;
- overseeing the establishment and maintenance of effective internal controls and procedures; and
- the maintenance of an effective and efficient audit process and overseeing the independence of the external auditor.

The responsibilities of the Board with respect to the Audit function remain as:

- monitoring compliance relating to the preparation and presentation of financial results;
- reviewing and discussing with management and the External Auditor, before submission to the Board, the half-yearly and annual financial statements;
- reviewing the financial statements to take into account decisions requiring an element of judgement and the extent to which the financial statements are affected by any unusual transactions, including assessing Management's processes supporting external reporting, and reporting this to the Board;
- assessing whether the half-year financial report, full-year financial report and all other external reporting is consistent with the Board members' information and knowledge and is adequate for shareholder needs;
- determining the reliability and appropriateness of accounting policies and financial reporting obligations having regard to any Corporations Act 2001 (Cth), Australian Accounting Standards, ASX requirements and generally accepted accounting principles;
- receiving representation letters from Senior Executives; and
- assessing the effects of any new or proposed accounting practices, principles or developments, disclosure requirements or regulatory changes.

The Board considers that the technical skills, qualifications and experience represented by the Board members Mr Kevin Bailey, Ms Sara Edmonson, Mr Joseph Constable and Ms Katrina O'Leary are appropriate for the effective discharge of the Board's responsibilities for oversight of the Company's financial and corporate reporting, systems of internal accounting and control, risk management and external audit.

When applicable the Chief Executive Officer and the Chief Financial Officer of Po Valley Energy report in writing to the Board that:

- consolidated financial statements of Po Valley Energy and its controlled entities for each half year and full financial year present a true and fair view, in all material respects, of the Group's financial condition and operational results and are in accordance with accounting standards; and
- declarations provided in accordance with Section 295A of the Corporations Act 2001 (Cth) are founded on a sound system of risk management and internal control, and that the system

is operating effectively.

At 31 December 2022 and at the date of this statement, the Company does not have an appointed Chief Executive Officer or Chief Financial Officer and therefore the Chairman has covered these roles. For the financial statements as at 31 December 2022, the Board has received a declaration in accordance with Recommendation 4.2.

*Internal audit function*

Due to its size and limited scope of operations, the Company does not currently have an internal audit function. The Board regularly monitors the operational and financial performance of the Company. The Board also receives and reviews advice on areas of operational and financial risk and develops strategies, in conjunction with management, to mitigate those risks. Management reports to the Board on the effectiveness of the Company's management of its material business risks where appropriate.

*External Auditor*

The Board is responsible for appointing an external auditor, subject to shareholder approval and the requirements of the Corporations Act 2001 (Cth). The general process of selecting and appointing external auditors is as follows.

The Chief Financial Officer or Chief Executive Officer, implements a selection process for the appointment of the external auditor and makes a recommendation to the Board, based on an assessment of the responses received from potential external auditors with regard to a number of key criteria, including but not limited to, audit approach and methodology, internal governance processes, global resources, key personnel, independence from the Company and cost.

The external auditor is expected to manage its audit team members to ensure adequate rotation of staff and must have arrangements in place for the rotation of the audit engagement partner on a regular basis.

The board is responsible for nominating the external auditor. Candidates for external auditor must be able to demonstrate independence from the Company and must have arrangements in place for the rotation of the audit engagement partner on a regular basis. The board where appropriate reviews the performance of the external auditor annually and meets with the external auditor at least twice per year to review the adequacy of the existing external audit arrangements.

*External auditor attendance at AGM*

Po Valley Energy ensures that the lead audit partner or their representative attends the AGM in order to be available to answer questions from security holders pertaining to the audit.

**Continuous disclosure**

The Board is committed to ensuring that investors can readily access sufficient information to ascribe a fair value to the Company's securities, understand the Company's objectives and strategies and evaluate the Company's financial position and growth prospects. The Company has adopted policies and procedures, including a Continuous Disclosure Policy, designed to ensure compliance with ASX Listing Rules disclosure requirements and to ensure accountability at a senior executive level for that compliance. A copy of the Continuous Disclosure policy is available on the Company's website.

Senior management and the Board are responsible for scrutinising events and information to determine whether the disclosure of the information is required in order to maintain the market integrity of the Company's shares listed on the ASX.

The Company Secretary has the primary responsibility for all communications with the ASX.

**Security holder communication policy**

Po Valley Energy has implemented a Shareholder Communications Policy to ensure that shareholders and the financial market have timely access to material information concerning the Company.

The Company website is used to complement the official ASX release of material information and periodic reports to the market. The website ensures that all press releases, ASX announcements, notices and presentations from the past three years are easily accessible to the public.

Shareholders are given the option to receive communications from, and send communications to, the Company and its share registry electronically. Shareholders are also able to contact the Company via its website.

**Investor relations program**

As a small listed company, Po Valley Energy currently does not have the resources for a dedicated investor relations employee. In 2022, the Company engaged a public relations consultant to assist with investor relations and communication. Security holders are given the opportunity to meet management immediately following general meetings and management and the Board is to respond to investors' requests for meetings or enquiries in a timely fashion. In addition, all ASX and media releases include contact details for shareholders or investors wishing to discuss the matters dealt with in the announcement further; shareholders are informed of any webinars or investor presentations through ASX and media releases. Shareholders are encouraged able to contact the Company via its website and subscribe to receive latest news and updates electronically.

**Participation at meetings of security holders**

The Board encourages active participation by security holders at each Annual General Meeting, or other general meetings, to ensure a high level of accountability and understanding of Po Valley Energy's strategy, performance and goals.

The Company is committed to ensuring that all shareholders have the opportunity to participate in the Company's annual general meetings. Annual General Meetings are held at readily accessible venues in Australia, to maximise the number of security holders present, and able to participate, at the meeting. The Company's Constitution was amended in 2022 to permit the use of technology at general meetings (including wholly virtual meetings) to the extent permitted under the Corporations Act, Listing Rules and applicable law, allowing for further accessibility at meetings. Security holders are provided with opportunities to ask the Board questions regarding the management of the Company including the opportunity to submit written questions to the Board prior to the Annual General Meeting.

**Risk management**

**Review of risk management framework**

The Board as a whole is responsible for oversight of the Company's risk management and control

system. Responsibility for control and risk management is delegated to the appropriate senior executives, with the Board having ultimate responsibility implementing the risk management.

The Company has not adopted a formal process for review of the risk management policy but rather risks to the Company are reviewed at regular Board meetings as necessary and during any reviews of operating and strategic plans and budgets which are all approved by the Board.

Appropriately skilled consultants are engaged, when necessary, to advise upon operational risks and control framework.

The Company's risk management process requires:

- identification and assessment of financial and non-financial risks in terms of potential consequence and the likelihood of occurrence;
- ranking and determination of the acceptability of each risk;
- agreement on controls to eliminate, reduce, or manage each material risk;
- assignment of responsibility for the management of each material risk;
- Board review and approval of management assessments;
- Monitoring of key risks, and identification of issues that may indicate weakness in controls; and
- Update of risk register whenever required or annually.

In addition to the Risk Management Process, the Board has a number of mechanisms in place to ensure that the Company's objectives and activities are appropriately assessed, risked and managed. These include but are not limited to the following:

- Board approval of a strategic plan, which encompasses business goals designed to grow shareholder value;
- Board approval and monitoring of operating plans and budgets;
- Board approval of new projects and investments;
- Board approval of commitment and expenditure levels for management and delegation of authority;
- Board approval of the insurance programme;
- Procedures for compliance with regulatory requirements; and
- Oversight of financial affairs by the Board.

The Board considers that the technical skills, qualifications and experience represented by the current Board members are appropriate for the effective discharge of the Board's responsibilities for oversight of risk management.

The key risks facing the Company are summarised in the Company's 2022 Annual Report.

**Values Statement**

The Board acknowledges that conducting the Company's affairs with evolving operating environment requires a unifying set of guiding principles that define how the Company wishes to conduct itself with the industry and communities within which it operates. Key values are set out below:

Respect – fair dealing with respect dignity and courtesy regardless of background lifestyle or position

Integrity – to act ethically, honestly, responsibly and diligently and within applicable laws

Sustainability, Health and Safety – commitment to environment protection and health and safety in the work place

Collaboration – working together build long term relationships with importance of clear open and continuous relationship with local communities.

**Code of Conduct**

All of Po Valley Energy's executives and employees are required to abide by laws and regulations, to respect confidentiality and the proper handling of information and act with the highest standards of honesty, integrity, objectivity and ethics in all dealings with each other, the Company, customers, suppliers and the community. The Company has adopted a Code of Conduct which is published on the Company's website.

**Diversity**

The Company's policy is to ensure that hiring, employment and Board selection policies avoid gender bias and encourage diversity to the extent possible for a small organisation. However, at this stage of development of the Company, the Board has elected not to establish a formal diversity policy and not to implement measurable objectives for gender diversity.

The Board believes that given the size of the Company's workforce and nature of activities, it would not be possible to set meaningful and achievable objectives at this time.

As at the Reporting Period, other than the Directors, Po Valley employed 5 full time employees, of whom, 3 are male and 2 are female. 50% of the current board of directors are female.

The Company is not a relevant employer for the purposed of the Workplace Gender Equality Act.

**Securities Trading Policy**

The Company has adopted a Share Trading Policy that sets out the guidelines on the sale and purchase of securities in the Company by its Directors and employees. The policy imposes certain restrictions on Directors and employees trading in the securities of the Company. The restrictions have been imposed to prevent trading in contravention of the insider trading provisions of the Corporations Act. The Company's share trading policy is published on the Company's website.

**Whistleblower Policy**

The Company has adopted a whistleblower policy which is made available on the Company's website.

The policy applies to all directors, officers, employees, consultants and contractors of the Company and as far as is reasonably achievable to services providers, suppliers and third-party contractors. The purpose of this policy is to encourage the persons to whom the policy applies to raise any concerns or report instances of any potential breach of law, any violation (or suspected violations) of the Company's Code of Conduct or any other legal or ethical concern without the fear of detriment.

**Anti-Bribery and Corruption**

The Company recognises that bribery and corruption act to undermine legitimate business activities, distort competition and may expose the Company, its employees and other stakeholders to significant risks. In accordance with the Company's code of conduct, the Company expects form its Directors and employees a high level of honesty, car, fair dealing and integrity in the conduct of the Company's business which includes complying with the laws of the country or jurisdiction in which it operates. The Company, its employees and directors will not make offers of, or receive, bribes or other improper payments. Gifts may only be accepted which are not in cash or equivalent, of small value and

appropriate to the business relationship. A formal Anti-Bribery and Corruption policy has been adopted and is available on the Company's website.

**Compliance with ASX Recommendations**

The table below summarises the Company's compliance with the ASX Corporate Governance Councils Corporate Governance Principles and Recommendations (4th Edition), in accordance with ASX Listing Rule 4.10.3.

| Principles and Recommendations | | Disclosure | Compliance |
|---|---|---|---|
| **Principle 1 – Lay solid foundations for management and oversight** | | | |
| 1.1 | A listed entity should have and disclose a board charter setting out:<br>(a) the respective roles and responsibilities of its board and management; and<br>(b) those matters expressly reserved to the board and those delegated to management | These matters are disclosed in the Company's Corporate Governance statement, which is available on the Company's website. | Complies |
| 1.2 | A listed entity should:<br>(a) undertake appropriate checks before appointing a person, or putting forward to security holders a candidate for election, as a director; and<br>(b) provide security holders with all material information in its possession relevant to a decision on whether to not to elect or re-elect a director | The Board will ensure that prior to appointing a director or recommending a new candidate for election as a director that appropriate checks are undertaken as to the expertise, persons character, experience, standing and reputation in the corporate community.<br><br>Security holders will be provided with all relevant information in the Board's possession, relevant to a decision on whether or not to elect or re-elect a Director. | Complies |
| 1.3 | A listed entity should have a written agreement with each director and senior executive setting out the terms of their appointment. | The Company ensures that all Directors and senior executives enter into written agreements setting out the terms of their appointment to ensure that they have a clear understanding of their roles and responsibilities and of the Company's expectations of them. | Complies |
| 1.4 | The company secretary of a listed entity should be accountable directly to the board, through the chair; on all matters to do with the proper functioning of the board. | The Company Secretary reports to the Board, through the chair on all matters relating to the functioning of the Board, and corporate governance. | Complies |

| Principles and Recommendations | | Disclosure | Compliance |
|---|---|---|---|
| 1.5 | A listed entity should:<br>(a) have and disclose a diversity policy;<br>(b) through its board or a committee of the board set measurable objectives for achieving gender diversity in the composition of its board, senior executives and workforce generally; and<br>(c) disclose as at the end of each reporting period:<br>(1) the measurable objectives set for that period to achieve gender diversity;<br>(2) the entity's progress towards achieving those objectives; and<br>(3) either:<br>(A) the respective proportions of men and women on the board, in senior executive positions and across the whole workforce (including how the entity has defined "senior executive" for these purposes); or<br>(B) if the entity is a "relevant employer" under the Workplace Gender Equality Act, the entity's most recent "Gender Equality Indicators", as defined in and published under that Act. | The Company's policy is to ensure that hiring, employment and Board selection policies avoid gender bias and encourage diversity to the extent possible for a small organisation.<br><br>However, at this stage of development of the Company, the Board has elected not to establish a formal diversity policy and not to implement measurable objectives for gender diversity. The Board believes that given the size of the Company's workforce and nature of activities, it would not be possible to set meaningful and achievable objectives at this time.<br><br>As at the Reporting Period, Po Valley employed 5 full time employees, of whom, 3 are male and 2 is female.<br><br>50 % of the Company's current Board are female.<br><br>The Company is not a relevant employer for the purposed of the Workplace Gender Equality Act. | Does not Comply |
| 1.6 | A listed entity should:<br>(a) have and disclose a process for periodically evaluating the performance of the board, its committees and individual directors; and<br>(b) disclose, in relation to each reporting period, whether a performance evaluation was undertaken in the reporting period in accordance with that process. | The Board does not have a formal process for evaluating its performance but undertakes internal reviews of its composition and suitability for the Company where appropriate. The Board currently does not have any committees. | Does not comply |

| Principles and Recommendations | | Disclosure | Compliance |
|---|---|---|---|
| 1.7 | A listed entity should:<br>(a) have and disclose a process for periodically evaluating the performance of senior executives; and<br>(b) disclose, in relation to each reporting period, whether a performance evaluation was undertaken in the reporting period in accordance with that process. | The Board oversees the performance evaluation of the senior executive team. The Board establishes performance objectives comprising a combination of strategic and operational company targets together with some specific individual objectives. The Board exercises its discretion when determining any payment of any incentives having regard to the overall performance of the Company and of the relevant executive during the year. | Does not comply |
| **Principle 2 – Structure the board to add value** | | | |
| 2.1 | A listed entity should:<br>(a) have a nomination committee which;<br>(1) has at least three members, a majority of whom are independent directors; and<br>(2) is chaired by an independent director;<br>and disclose:<br>(3) the charter of the committee;<br>(4) the members of the committee; and<br>(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<br>(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 skills, knowledge, experience, independence and diversity to enable it to discharge it duties and responsibilities effectively. | The Company has elected not to adopt Recommendation 2.1 as it considers that the functions normally conducted by a nominations committee are adequately undertaken by the full board.<br><br>The Board as a whole undertakes the process of reviewing the skills base and experience of existing directors to enable identification of skills, knowledge, experience, independence and diversity in new directors and assumes responsibility for the appointment of any new directors, the formulation of any succession plans, and the re-appointment of directors to the Board. | Does not comply with paragraph a)<br><br>**Complies with paragraph b).**<br><br>The responsibilities in this area are being met by the full Board. |

| Principles and Recommendations | | Disclosure | Compliance |
|---|---|---|---|
| 2.2 | A listed entity should have and disclose a board skill matrix setting out the mix of skills and diversity that the board currently has or is looking to achieve in its membership. | Po Valley Energy Board comprises the Chairman and three non-executive directors.<br><br>The Board has been structured to include directors with a versatile set of skills, expertise and experience to enable the Board to execute its duties and responsibilities for the proper and effective management of the Company. The Board seeks to ensure that its members together have the following combination of skills and experience:<br>• experience in oil and gas exploration, development and production;<br>• finance and accounting;<br>• company strategy and business planning and business and corporate development;<br>• local and international experience; and<br>• public company affairs and corporate governance.<br><br>The Directors Report in the Company's 2022 Annual Report contains further details of the experience of each Director and his term of office.<br><br>The Company does not have a formal board skills matrix and as such does not comply with Recommendation 2.2. The Board considers that its current composition is appropriate for the activities and size of its operations that the Company is currently undertaking. The Board will consider the skill, knowledge, experience, and independence of the Company's directors in response to any actual or proposed changes in the Company's activities or operations. The Board considers that it is in the best interests of the Company for the Board as a whole to determine the criteria for the selection of new directors, based on any perceived "gaps" in the skill set of the Board, as and when a casual vacancy arises. | Does not Comply |

| Principles and Recommendations | | Disclosure | Compliance |
|---|---|---|---|
| 2.3 | A listed entity should disclose:<br>(a) the names of the directors considered by the board to be independent directors; and<br>(b) if a director has an interest, position, association or relationship that may cause doubts about the independence of a director, 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<br>(c) the length of service of each director. | The Board is comprised of:<br>Mr Kevin Bailey AM – Chairman<br>Ms Sara Edmonson – Non-executive Director<br>Mr Joseph Constable – Non-executive Director<br>Ms Katrina O'Leary – Non-executive Director<br><br>Mr Bailey and Ms Edmonson are deemed not to be independent by virtue of their length of service, their substantial shareholdings in the Company and /or having held an executive position in the Company in the three years prior to serving on the Board. Mr Constable and Ms O'Leary are considered independent. The Board considers that each director's commitment to the aims and ambition of all shareholders of the Company outweighs any non-independence and each director brings an independent judgement to bear on all Board decisions.<br><br>The length of service of each director is as follows:<br>Mr Kevin Bailey AM – 8 years: since 22 April 2016<br>Ms Sara Edmonson – 3 years: since 23 December 2019<br>Mr Joseph Constable – 1 year: since 30 November 2021<br>Ms Katrina O'Leary – 10 months: since 2 May 2022 | Complies |

| Principles and Recommendations | | Disclosure | Compliance |
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| 2.4 | A majority of the board of a listed entity should be independent directors. | Mr Bailey and Ms Edmonson are deemed not to be independent by virtue of their length of service, their substantial shareholdings in the Company and /or having held an executive position in the Company in the three years prior to serving on the Board. Mr Constable and Ms O'Leary are considered to be independent. | Does not comply however, the Board considers that each director's commitment to the aims and ambition of all shareholders of the Company outweighs any non-independence and each director brings an independent judgement to bear on all Board decisions. |
| 2.5 | The chair of the board of a listed entity should be an independent director and, in particular; should not be the same person as the CEO of the entity. | The current Chairman, Mr Kevin Bailey AM, was appointed as Chairman on 2 May 2022. Mr Bailey is not considered independent because of his substantial shareholding in the Company.<br><br>The Board has considered whether it would be beneficial to appoint an independent Chairman and has also considered the skills and qualifications or the existing directors and has elected not to adopt Recommendation 2.5 to appoint an independent chair as the board believes the current structure to most appropriate at this time. Where required Mr Bailey excludes himself from any items of business where there may be a conflict. | Does not comply, however the Board is of the view that this is appropriate for the company, considering its size and stage of development. |

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| 2.6 | A listed entity should have a program for inducting new directors and provide appropriate professional development opportunities for directors to develop and maintain the skills and knowledge needed to perform their role as directors effectively | Procedures for induction of new directors are in place to allow new directors to participate fully and actively in Board decision making at the earliest opportunity.<br>All directors are offered an induction program appropriate to their experience upon their appointment, so as to familiarise them with matters relating to the business, strategy and any current issues under consideration by the Board. This program consists of written background material on the Company and its operations, scheduled meetings with the Chairman and senior executives as considered appropriate.<br><br>The Board does not have a formal program for director education. Throughout the year, the Company Secretary provided directors with on-going information on matters such as corporate governance the Company's Constitution, and ASX Listing Rules. All directors have access to company records and information, and receive regular detailed financial and operational reports from senior management. In particular, Directors are, where appropriate provided with detailed financial, operational and management reports prior to each Board meeting.<br><br>The Company Secretary is available to all Directors and may be consulted on on-going issues of corporate governance, the Company's Constitution, and the ASX Listing Rules. In addition, the Chairman and other non-executive Directors consult with each other and the senior executives regularly | Complies |

| **Principle 3 – A listed entity should act ethically and responsibly** | | | |
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| 3.1 | A listed entity should articulate and disclose its values. | These matters are disclosed in the Company's Corporate Governance statement, which is available on the Company's website. | Complies |

| Principles and Recommendations | | Disclosure | Compliance |
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| 3.2 | A listed entity should:<br>(a) have a code of conduct of its directors, senior executives and employees; and<br>(b) disclose that code or a summary of it. | The company code of conduct is available on the company website. | Complies |
| 3.3 | A listed entity should:<br>(a) have and disclose a whistleblower policy; and<br>(b) ensure that the board or a committee of the board is informed of any material incidents reported under that policy. | The company whistle blower policy is made available on the company's website. | Complies |
| 3.4 | A listed entity should:<br>(a) have and disclose an anti-bribery and corruption policy; and<br>(b) ensure that the board or committee of the board is informed of any material breaches of that policy. | The Company has adopted an anti-bribery policy available on the Company's website | Complies |

**Principle 4 – Safeguard integrity in corporate reporting**

| Principles and Recommendations | | Disclosure | Compliance |
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| 4.1 | The board of a listed entity should:<br>(a) have an audit committee which:<br>(1) has at least three members, all of whom are non-executive directors and a majority of whom are independent directors; and<br>(2) is chaired by an independent director, who is not the chair of the board,<br>and disclose:<br>(3) the charter of the committee;<br>(4) the relevant qualifications and experience of the members of the committee; and<br>(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<br>(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. | Due to its size and limited scope of operations during the year, the roles and duties of an Audit Committee were discharged by the full Board, and not by a separate committee.<br><br>As the company's activities increase in size, scope and/or nature, the board will consider the appropriateness of a formal audit committee. | Does not comply with (a)<br><br>The responsibilities in this area are being met by the full Board.<br><br>Complies with (b) as set out in the corporate governance statement. |
| 4.2 | 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. | At 31 December 2022 and at the date of this statement, in the absence of an appointed CEO or CFO, the Company's Chairman covered these roles.. For the financial statements as at 31 December 2022, the Board has received a declaration in accordance with Recommendation 4.2. | Complies |

| Principles and Recommendations | | Disclosure | Compliance |
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| 4.3 | A listed entity should disclose its process to verify the integrity of any periodic corporate report it releases to the market that is not audited or reviewed by an external auditor. | Periodic reports and financial data are circulated to the full Board for review and comment to ensure accuracy with the Directors' knowledge of operations during the quarter before approval for release to the market. | Complies |

| **Principle 5 – Make timely and balanced disclosure** | | | |
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| 5.1 | A listed entity should have and disclose a written policy for complying with its continuous disclosure obligations under listing rule 3.1. | The company has a Continuous Disclosure policy, which is available on the company web site. | Complies |
| 5.2 | A listed entity should ensure that its board receives copies of all material market announcements promptly after they have been made. | The board are notified with copies of material market announcements made. | Complies |
| 5.3 | A listed entity that gives a new and substantive investor or analyst presentation should release a copy of the presentation materials on the ASX Market Announcements Platform ahead of the presentation. | All new investor presentations are made available on the ASX Market Announcements Platform. | Complies |
| **Principle 6 – Respect the rights of security holders** | | | |
| 6.1 | A listed entity should provide information about itself and its governance to investor via its website. | The company keeps all Corporate Governance related policies and documents on its website. | Complies |

| Principles and Recommendations | | Disclosure | Compliance |
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| 6.2 | A listed entity should have an investor relations program that facilitates effective two-way communication with investors. | Due to the size and limited scope of operations there is currently no dedicated investor relations employee, however, in 2022, the Company engaged a public relations consultant to assist with investor relations and communication. The Company encourages all investors or potential investors to communicate with the company via its web site where they are able to subscribe to receive latest news and updated electronically. Security holders are given the opportunity to meet management immediately following general meetings and management and the Board is to respond to investors' requests for meetings or enquiries in a timely fashion. In addition, all ASX and media releases include contact details for shareholders or investors wishing to discuss the matters dealt with in the announcement further. Shareholders are informed of any webinars or investor presentations through ASX and media releases and are encouraged to participate in any online presentations or webinars. | Complies for part of the year |
| 6.3 | A listed entity should disclose how it facilitates and encourages participation at meetings of security holders. | The Company Shareholder Communication policy is available on the Company Website. The Board encourages active participation by security holders at each Annual General Meeting, or other general meetings, to ensure a high level of accountability and understanding of Po Valley Energy's strategy, performance and goals. | Complies |
| 6.4 | A listed entity should ensure that all substantive resolutions at a meeting of security holders are decided by a poll rather than by a show of hands. | A poll is conducted at meetings for all resolutions | Complies |
| 6.5 | A listed entity should give security holders the option to receive communications from, and send communication to the entity and its security registry electronically. | Security holder can elect to receive communications from the company electronically either by contacting the Company's share registrar, or the company directly. | Complies |
| **Principal 7 – Recognise and manage risk** | | | |
| 7.1 | The board of a listed entity should:<br>(a) have a committee or committees to oversee risk, each of which:<br>(1) has at least three members, a majority of whom are independent directors; and<br>(2) is chaired by an independent director | Due to its size and limited scope of operations, the company does not currently have a risk committee, however management does present and discuss risk with the full board.<br>The Company's risk management process requires:<br>• identification and assessment of financial and non-financial risks in terms of potential consequence and the likelihood of occurrence; | Does not Comply (a) The responsibilities in this area are being met by the full Board. |

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| | and disclose<br>(3) the charter of the committee;<br>(4) the members of the committee; and<br>(5) as at the end of each reporting period, the number of times the committee met throughout the period and the individual attendance of the members at those meetings; or<br>(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. | • ranking and determination of the acceptability of each risk;<br>• agreement on controls to eliminate, reduce, or manage each material risk;<br>• assignment of responsibility for the management of each material risk;<br>• Board review and approval of management assessments;<br>• Monitoring of key risks, and identification of issues that may indicate weakness in controls; and<br>• Update of risk register whenever required or annually.<br>In addition to the Risk Management Process, the Board has a number of mechanisms in place to ensure that the Company's objectives and activities are appropriately assessed, risked and managed. These include but are not limited to the following:<br>• Board approval of a strategic plan, which encompasses business goals designed to grow shareholder value;<br>• Board approval and monitoring of operating plans and budgets;<br>• Board approval of new projects and investments;<br>• Board approval of commitment and expenditure levels for management and a clear documented delegation of authority;<br>• Board approval of the insurance programme;<br>• Procedures for compliance with regulatory requirements; and<br>• Oversight of financial affairs by the Board.<br><br>The Board considers that the technical skills, qualifications and experience represented by the Board members are appropriate for the effective discharge of the Board's responsibilities for oversight of risk management. | Complies with (b) as set out in the Corporate Governance statement. |

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| 7.2 | The board or a committee of the board should:<br>(a) review the entity's risk management framework at least annually to satisfy itself that it continues to be sound; and<br>(b) disclose, in relation to each reporting period, whether such a review has taken place. | The Board as a whole is responsible for oversight of the Company's risk management and control system. Responsibility for control and risk management is delegated to the appropriate senior executives, with the Board having ultimate responsibility implementing the risk management. The Company has not adopted a formal process for review of the risk management policy but rather risks to the Company are reviewed at regular Board meetings as necessary and during any reviews of operating and strategic plans and budgets which are all approved by the Board.<br>Appropriately skilled consultants are engaged when necessary to advise upon operational risks and control framework. | Does not comply<br>As disclosed in this Corporate Governance Statement. |
| 7.3 | A listed entity should disclose:<br>(a) if it has an internal audit function, how the function is structured and what role it performs; or<br>(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. | Due to its size and limited scope of operations, the company does not have an internal audit function.<br>However, management reports to the Board on the effectiveness of the Company's management of its material business risks and internal control with the full board. The Board regularly monitors the operational and financial performance of the Company and also receives and reviews advice on areas of operational and financial risk and develops strategies, in conjunction with management, to mitigate those risks. | Does not comply with (a), however the board is of the view that this is appropriate for the Company, considering its size and stage of development.<br><br>Complies with (b) as set out in the corporate governance statement. |
| 7.4 | 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 is subject to a number of economic, environmental, social sustainability and occupational health and safety risks, typical of those associated with a publicly listed entity engaged in the oil and gas industry. The key risks facing the Company are summarised in the Company's Annual Report.<br>All business risks are managed by the Board with the support of management, employees and consultants where appropriate. | Complies |

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| **Principle 8 – Remunerate fairly and responsibly** | | | |
| 8.1 | The board of a listed entity should:<br>(a) have a remuneration committee which:<br>(1) has at least three members, a majority of whom are independent directors; and<br>(2) is chaired by an independent director<br>and disclose<br>(3) the charter of the committee;<br>(4) the members of the committee; and<br>(5) as at the end of each reporting period, the number of times the committee met throughout the period and the individual attendance of the members at those meetings; or<br>(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. | Due to its size and limited scope of operations, the company does not currently have a remuneration committee.<br><br>The Board considers that due to the size of the Company and its management structure, the board is currently able to give due consideration to the Company's overall remuneration policies as part of its regular board meetings.<br>In setting the level and composition of remuneration for directors and senior executives the Board has regard to the performance and financial circumstances of the Company, individual performance and market rates paid for comparable roles in companies of similar size and market section.<br><br>As the company's activities increase in size, scope and/or nature, the board will consider the appropriateness of a remuneration committee. | Does not Comply with (a)<br><br>The responsibilities in this area are being met by the full Board.<br><br>Complies with (b) as set out in the corporate governance statement. |
| 8.2 | A listed entity should separately disclose its policies and practices regarding the remuneration of non-executive director and other senior executives. | The Company's policies relating to the remuneration of Directors and Senior Executives and the level of their remuneration are detailed annually in the Remuneration Report contained within the Directors' Report of Company's Annual Report | Complies |
| 8.3 | A listed entity which has an equity-based remuneration scheme should:<br>(a) have a policy on whether participants are permitted to enter into transaction (whether through the use of derivatives or otherwise) which limit the economic risk of participating in the scheme; and<br>(b) disclose that policy or a summary of it | The Company does not currently have an equity-based remuneration scheme. | Not Applicable |

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| **Principle 9 – Additional Recommendations that apply in certain cases** | | | |
| 9.1 | A listed entity with a director who does not speak the language in which board or security holder meetings are held or key corporate documents are written should disclose the processes it has in place to ensure the director understands and can contribute to the discussions at those meetings and understands and can discharge their obligations in relation to those documents. | The Company does not have a director in this position and this recommendation is therefore not applicable | Not Applicable |
| 9.2 | A listed entity established outside Australia should ensure that meetings of security holders are held at a reasonable place and time. | The Company is established in Australia and this recommendation is therefore not applicable | Not Applicable |
| 9.3 | A listed entity established outside Australia, and an externally managed 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 is established in Australia and not an externally managed listed entity and this recommendation is therefore not applicable | Not Applicable |

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