

Corporate Governance

Warrego Energy Limited (ASX: WGO) (“Warrego”) advises that the newly appointed board of directors and its committees have met to update the Company’s corporate governance policies.

The newly appointed Audit Committee, consisting of Non-executive Directors David Biggs (Chair), Mark Routh and Greg Columbus, has proposed and the board has approved an updated Audit Committee Charter which has been released under separate cover at the same time as this announcement.

The board takes a zero-tolerance approach to bribery and corruption and is committed to ensuring that the Warrego Group and all of its people act professionally, fairly and with integrity in all business dealings and relationships wherever Warrego operates and to implementing and enforcing effective systems to counter bribery and corruption if encountered in all business dealings and relationships. Warrego will uphold all laws relevant to countering bribery and corruption in all the jurisdictions in which it operates and will be bound by the UK’s Bribery Act 2010 and the US Foreign Corrupt Practices Act 1977. Warrego’s Anti-Corruption & Bribery Policy has been released under separate cover at the same time as this announcement.

The newly appointed Remuneration Committee, consisting of Non-executive Directors Greg Columbus (Chair), Mark Routh and David Biggs, has proposed and the board has approved an updated Remuneration Committee Charter which is included in Attachment A. The Remuneration Committee has finalised remuneration details for Managing Director Dennis Donald and Executive Directors Duncan MacNiven and Owain Franks which are summarised in Attachment B.

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Remuneration & Nomination Committee Charter

Warrego Energy Limited

ABN 82 125 394 667

1. ROLE OF THE REMUNERATION AND NOMINATION COMMITTEE

The Remuneration and Nomination Committee ("**Committee**") is established to review and provide recommendations to the Board of Directors in fulfilling the Board's responsibilities in respect of certain remuneration matters as well as matters concerning the composition of the Board including:

The entity's remuneration framework for Directors, including the process by which any pool of Directors fees approved by security holders is allocated to Directors

The remuneration packages awarded to senior executives ("Key Management Personnel or KMPs")

2. COMPOSITION

The Committee will be comprised of a minimum of three members.

- (a) The members will be only non-executive Directors with the majority being independent to the extent possible.
- (b) The Chair will be appointed by the Board and must be an independent Director.

3. PURPOSE

The purpose of the Committee is to review and make recommendations to the Board on the following:

- (a) remuneration policies and practices for the Company, with policies and practices designed to:
 - (i) enable the Company to attract, retain and motivate Directors, executives and employees who will create value for shareholders;
 - (ii) be appropriate having regard to the performance of the Company and the interests of shareholders; and
 - (iii) comply with all relevant legal requirements.

- (b) Selection and appointment practices for Directors of the Company.

4. RESPONSIBILITIES

The Committee has the authority and power to exercise the role and responsibilities set out in this Charter.

The Committee is responsible for reviewing and making recommendations to the Board on:

- (a) the remuneration framework and policies (including applicable key performance indicators) for non-executive Directors, Executive Directors, the Managing Director/CEO and the Company's senior executives ("Key Management Personnel");
- (b) the remuneration, the framework and policies (including applicable key performance indicators) for the Company's senior executives;
- (c) incentive schemes to be adopted by the Company and the operation of incentive schemes (including making awards under a scheme and assessing whether relevant performance conditions have been achieved);
- (d) the Company's human resources objectives;
- (e) supervision of the succession planning for the Company's senior executives;
- (f) the size and composition of the Board;
- (g) the mix of skills, experience, expertise and diversity required on the Board and matters relating to the extent to which the required skills are represented on the Board;
- (h) the assessment of the performance of the Board, its committees and individual Directors;
- (i) succession planning for the Board and Director selection and nomination practices, including assessing candidates for nomination for election as a Director;
- (j) induction procedures for new appointees to the Board to enable new appointees to the Board to effectively discharge their duties;
- (k) matters relating to the Company's diversity policy;
- (l) other relevant matters as requested by the Board from time to time.

The Committee may examine any matter in relation to its responsibilities as it sees fit.

The Committee has no executive powers with regard to its recommendations and does not relieve the Board of its responsibilities in these matters.

5. MEMBERSHIP OF THE REMUNERATION AND NOMINATION COMMITTEE

Committee composition

Membership of the Committee will be determined by the Board, having regard to the following:

- (a) the Committee must consist of a minimum of three (3) persons to be appointed from time to time by the Board;
- (b) each member of the Committee must be a non executive Director; and
- (c) a majority of the Committee should be independent Directors, as determined by the Board.

The Managing Director can be invited to meetings of the Committee as requested and required to discuss management performance and remuneration packages.

The Managing Director or any other attendee may not participate in deliberations of the committee where the matter could affect his/her position whether he/she has a personal interest in the matter.

Chairman

The Chairman of the Committee will be appointed by the Board and must be an independent, non-executive director.

Secretary

The Company Secretary will be the secretary of the Committee.

6. CONDUCT OF REMUNERATION AND NOMINATION COMMITTEE MEETIN

6.1 Attendance

A majority of members must be present to constitute a quorum for a meeting. Committee members may not substitute a representative to attend on their behalf.

6.2 Frequency of Meetings

The Committee will meet at least two times each year and at additional times as determined by the Committee to fulfil its duties.

The Chairman of the Committee must call a meeting at the request of a member of the Committee, at the request of the Board or in a case he considers urgent, by the Managing Director.

6.3 Engagement of External Resources

The Committee has the power to engage on behalf of the Company external advisers or consultants as necessary for the purposes of assisting it to fulfil its responsibilities.

If the Committee engages expert external advisers or consultants on matters relating to the remuneration of key management personnel of the Company, the Committee must ensure that those advisers provide any remuneration recommendations directly to the Committee, as required by the Corporations Act.

6.4 Access

The Committee will have reasonable access to all Company sites, documents, reports, records and personnel for the purpose of enabling it to fulfil its responsibilities.

7. REPORTING REQUIREMENTS

The Committee must:

- a. report to the Board following each meeting; and
- b. bring particular matters to the attention of the Board and make recommendations and express opinions as appropriate.

The agenda and papers will be available on request to all members of the Board.

8. REVIEW

The Committee will review its Charter from time to time and make recommendations to the Board as to any changes it considers should be made.

The Charter may be amended by resolution of the Board.

Adopted by the Board on: 17 April 2019

Attachment B

Terms for Executive Directors' Remuneration

- 1 Base Salaries effective 15th March 2019
 - a. All inclusive of super.
 - b. Dennis Donald: A\$490,000 per annum
 - c. Duncan MacNiven: A\$400,000 per annum
 - d. Owain Franks: A\$400,000 per annum.
- 2 Salary review at earlier of material change in Company activities or 30th June 2020.
- 3 Short Term Incentives (STI)
 - a. STI – over the relevant 12 month period “at risk” STI up to a maximum of 50% of the Base Salary for the relevant fiscal year, with
 - b. 20% payable in cash or shares if the 21day VWAP for listed shares exceeds A\$0.25 per share and
 - c. 30% payable in cash or shares if the 21day VWAP for listed shares exceeds A\$.40 per share.
 - d. Detailed alignment of STIs with KPIs will be reviewed in due course.
- 4 Long Term Incentives (LTI)
 - a. LTI – “At risk” LTI’s will be defined over the coming quarter and
 - b. Will be aligned with the overarching strategy of the company.
- 5 Notice period for termination will be 6 months’ written notice given by either party.
- 6 Non-executive roles may be taken by the Executive Directors as long as they:
 - a. Do not conflict with Warrego’s business
 - b. Do not require any significant amount of time which should be devoted to Warrego
 - c. Do not expose Warrego to any risk indirectly through the activity
 - d. Are disclosed to the Board and approved.