

15 October 2020

## Senex Energy Limited 2020 Annual General Meeting

Dear Shareholder

The Senex Energy Limited (**Senex**) 2020 Annual General Meeting (**AGM**) will be a virtual meeting, which will be conducted on Thursday 19 November 2020 at 9.30am AEST (Brisbane) / 10.30am AEDT (Sydney, Melbourne).

Due to coronavirus (COVID-19), we are making some changes to our approach this year, and relying on technology to facilitate shareholder engagement and participation in the AGM.

Enclosed is the Notice of Meeting setting out the business of the AGM. For further details on the resolutions proposed at the AGM please refer to the accompanying Explanatory Memorandum. I urge all shareholders to read this material carefully before voting on the proposed resolutions.

If you are not able to attend the AGM online, I encourage you to appoint a proxy vote on your behalf. You may appoint a proxy by:

- using the Computershare website at [www.investorvote.com.au](http://www.investorvote.com.au); or
- completing the enclosed proxy form.

Proxy forms and online proxies must be received no later than **9.30am AEST (Brisbane) / 10.30am AEDT (Sydney, Melbourne) Tuesday 17 November 2020**, to be valid.

Even if you plan to participate online, we encourage shareholders to cast proxy votes and lodge questions ahead of the meeting at [www.investorvote.com.au](http://www.investorvote.com.au). To access this site, you will need the six-digit Control Number and your holder number (SRN/HIN) located in the enclosed proxy form.

Shareholders can find instructions for how to join the meeting online, view the webcast, submit questions and vote in real time during the meeting, at [www.edocumentview.com.au/SXY2020](http://www.edocumentview.com.au/SXY2020). Lodging questions and casting your vote ahead of the meeting will not prevent you from attending online.

On behalf of all the Directors of Senex, we look forward to engaging with shareholders in this new way.

Yours sincerely,



Trevor Bourne  
Chairman

## Notice of 2020 Annual General Meeting

The annual general meeting (**AGM**) of Senex Energy Limited ABN 50 008 942 827 (**Company**) will be held on Thursday 19 November 2020 at 9.30am AEST (Brisbane) / 10.30am AEDT (Sydney, Melbourne).

Due to continuing developments in relation to coronavirus (**COVID-19**), this year's AGM will be held as a virtual meeting, using technology to facilitate shareholder participation.

### Business

#### ORDINARY BUSINESS

**1. Financial statements and reports**

To receive and consider the Company's financial reports and the reports of the directors and the auditor for the financial year ended 30 June 2020.

**2. Resolution 1 – To re-elect Dr Ralph Craven**

Dr Craven retires by rotation in accordance with rule 58 of the Company's constitution and, being eligible, offers himself for re-election.

**3. Resolution 2 – To re-elect Ms Glenda McLoughlin**

Ms McLoughlin retires in accordance with rule 57 of the Company's constitution and, being eligible, offers herself for re-election.

**4. Resolution 3 – Adoption of remuneration report**

That shareholders approve the remuneration report of the directors for the financial year ended 30 June 2020.

**5. Resolution 4 – To approve the proposed issue of FY21 Performance Rights to the Managing Director and CEO**

That, for the purposes of ASX Listing Rule 10.14 and 7.2 (Exception 14) and all other purposes, shareholders approve the issue of up to 7,906,976 Performance Rights under the Senex Employee Performance Rights Plan to Mr Ian Davies, Managing Director and Chief Executive Officer, or his nominee on the terms described in the Explanatory Memorandum.

**Dated: 15 October 2020**

**By order of the Board**



**David Pegg**  
Company Secretary

Key dates and times AEST (Brisbane)	
<b>Submit questions by:</b>	5.00pm Thursday, 12 November 2020
<b>Provide proxies by:</b>	9.30am Tuesday, 17 November 2020
<b>Meeting date:</b>	9.30am Thursday, 19 November 2020

## Notes related to voting

Refer to Voting Notes on page 11 of this Notice of Meeting and Explanatory Memorandum.

### How to participate in the AGM online

Shareholders can participate in the AGM from their computer or from their mobile device by using this following URL:

[www.web.lumiagm.com/330263625](http://www.web.lumiagm.com/330263625)

The online platform will allow shareholders to view the meeting, vote and ask questions during the meeting.

Further information regarding online attendance at the meeting (including how to vote and ask questions virtually during the meeting) is set out in the Online Meeting Guide available at: [www.edocumentview.com.au/SXY2020](http://www.edocumentview.com.au/SXY2020)

### How to submit your vote in advance of the meeting

Proxy votes must be received by **9.30am AEST (Brisbane) / 10.30am AEDT (Sydney, Melbourne) on Tuesday, 17 November 2020** to be valid for the meeting.

Instructions on how to appoint a proxy are also available through the online voting website, [www.investorvote.com.au](http://www.investorvote.com.au).

If you are appointing a proxy, to ensure that your vote counts, please carefully read the voting exclusions, the voting notes below and the instructions on the Proxy Form.

## Voting exclusions

### Resolution 3 (adoption of remuneration report) and resolution 4 (to approve the proposed issue of FY21 Performance Rights to the Managing Director and CEO)

- a) The Company will disregard any vote cast in favour of resolution 3:
  - by key management personnel (**KMP**) whose remuneration details are contained in the remuneration report (and their closely related parties) in accordance with section 250R(4) Corporations Act; or
  - as proxy by a member of the Company's KMP or their closely related parties; and
- b) The Company will disregard any votes cast in favour of resolution 4:
  - by or on behalf of Mr Davies or any of his associates; or
  - as proxy by a member of the Company's KMP or their closely related parties,

however, this does not apply in respect of either resolution to a vote cast in favour by:

- a person as proxy or attorney for a person who is entitled to vote on the resolution, in accordance with directions given to the proxy or attorney to vote on the resolution in that way; or
- the Chairman of the meeting as proxy or attorney for a person who is entitled to vote on the resolution, in accordance with directions given to the Chairman to vote on the resolution as the Chairman decides; or
- a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
  - the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an associate of a person excluded from voting, on the resolution; and
  - the holder votes on the resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

## Explanatory Memorandum for 2020 AGM

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### Financial statements and reports

The Corporations Act requires that the report of the directors, the auditor's report and the financial report be tabled at the meeting. In addition, the Company's constitution (**Constitution**) provides for these reports to be received and considered at the meeting.

Apart from matters involving remuneration which are required to be voted upon, neither the Corporations Act nor the Constitution requires a vote of shareholders at the AGM on the financial statements and reports.

Shareholders will be given reasonable opportunity at the meeting to raise questions and make comments on these reports. Any shareholder with a question for the Chairman or a question for the Company's auditor, Ernst & Young is encouraged to do so by submitting an online question when voting online at [www.investorvote.com.au](http://www.investorvote.com.au) by 5.00pm AEST (Brisbane) / 6.00pm AEDT (Sydney, Melbourne), Thursday 12 November 2020.

In addition to asking questions online at the meeting, shareholders may address written questions to the Chairman about the management of the Company, or to the Company's auditor, Ernst & Young, if the question is relevant to: a) the content of the auditor's report; or b) the conduct of its audit of the annual financial report to be considered at the meeting.

**Note:** Under section 250PA(1) Corporations Act a shareholder must submit the question to the Company no later than the fifth business day before the day on which the AGM is held.

### Resolution 1 – Re-election of Ralph Craven

Dr Craven retires by rotation in accordance with rule 58 of the Constitution and, being eligible, offers himself for re-election.

**Ralph Craven**, BE, PhD, FIEAust, FIPENZ, FAICD



Ralph joined the Board in September 2011. He has broad experience across the energy sector including electricity, gas and other resources. Before becoming a professional director in 2007, Ralph held senior executive positions with energy companies in Australia and New Zealand. He was formerly Chief Executive of Transpower New Zealand Ltd, Executive Director with NRG Asia-Pacific and General Manager with Shell Coal Pty Ltd. His previous tenures include Chairman and Non-Executive Director of Stanwell Corporation, Invision Limited, Ergon Energy Corporation and Tully Sugar Limited, and Deputy Chairman of coal seam gas company Arrow Energy Limited.

Ralph is Chairman of the People and Remuneration Committee and member of the Audit and Risk Committee and the Nomination Committee.

### Current directorships

- Genex Power Ltd: Chairman, Independent Non-Executive Director (May 2015)
- AusNet Services Ltd: Non-Executive Director (January 2014)
- Multicom Resources Ltd: Chairman, Independent Non-Executive Director (July 2018)

**The directors (other than Dr Craven who is abstaining) recommend that shareholders vote FOR this resolution.**

## Resolution 2 – Re-election of Glenda McLoughlin

Ms McLoughlin was appointed by the Board on 1 July 2020. In accordance with rule 57 of the Constitution and, being eligible, offers herself for re-election.

**Glenda McLoughlin**, BEcon, MBA, FAICD



Glenda joined the Board on 1 July 2020. Glenda brings a wealth of experience in the energy sector in both executive and advisory capacities. Glenda has extensive commercial experience as an investment banker, finance executive and company director working at a senior executive level in Australia and Asia.

She has held senior executive roles at leading financial institutions Morgan Stanley, Credit Suisse and Barclays Capital where she led the Energy and Infrastructure Group in Australia. In addition to her work in the energy sector, Glenda has extensive experience in the telecommunications, information technology, media, transport and financial services sectors.

Glenda co-founded listed Australian gas company Metgasco, where she was Executive Director and Chief Financial Officer for eight years.

Glenda is a member of the People and Remuneration Committee and Nomination Committee.

### Current directorships

- SCECGS Redlands Limited: Chairman, Non-Executive Director (October 2016)

**The directors (other than Ms McLoughlin who is abstaining) recommend that shareholders vote FOR this resolution.**

## Resolution 3 – Adoption of remuneration report

Resolution 3 is for adoption of the section of the directors' report dealing with remuneration of directors and other key management personnel (**Remuneration Report**). It is proposed because the Corporations Act requires that the Remuneration Report be put to a vote of shareholders for adoption.

The Remuneration Report is in the annual report. It is also available on the Company's website ([www.senexenergy.com.au](http://www.senexenergy.com.au)). The Senex Remuneration Report:

- explains the Board's policies in relation to the nature and level of remuneration paid to directors, senior executives and other key management personnel within the Company group;
- discusses the link between the Board's policies and the Company's performance;
- sets out the remuneration details for each director and for each member of the Company's senior executive management team; and
- makes clear that the basis for remunerating non-executive directors is distinct from the basis for remunerating executives, including executive directors.

The resolution for adoption of the Remuneration Report is advisory only and not binding on the Company. However, the directors will actively consider the outcome of the vote and comments made by shareholders at this meeting when reviewing the Company's future remuneration policies and practices.

Noting that each director has a personal interest in their own remuneration from the Company, as described in the Remuneration Report, **the directors recommend that shareholders vote FOR this resolution.**

**Note:** If you appoint the Chairman as your proxy, and you do not provide voting directions, you must mark in the Proxy Form to authorise the Chairman to cast your undirected proxy vote in accordance with his stated intentions, even though this resolution is connected with the remuneration of a member of key management personnel, otherwise your vote will not be counted. The Chairman intends to vote all available proxies in favour of this resolution.

If you appoint another director or member of the key management personnel as your proxy, you **MUST** direct your proxy how to vote on this resolution, otherwise your vote will not be counted. Follow the instructions on the Proxy Form to direct your proxy how to vote.

## Resolution 4 – To approve for proposed issue of FY21 Performance Rights to the Managing Director and CEO

The Company is seeking the approval of shareholders for the grant of Performance Rights (**Performance Rights**) to the Managing Director and Chief Executive Officer, Mr Ian Davies, under the Senex Performance Rights Plan on the terms set out below.

Because Mr Davies is a director of the Company, shareholder approval of the proposed issue of Performance Rights to Mr Davies must be obtained under ASX Listing Rule 10.14.1 before the Performance Rights can be issued.

### Overview of grant of Performance Rights and remuneration for FY21

<b>STI and LTI for FY21</b>	<p>This resolution relates to the grant of Performance Rights as part of the short-term incentive (<b>STI</b>) and long-term incentive (<b>LTI</b>) awards to Mr Davies in respect of remuneration for FY21.</p> <p><i>Note: Financial Year (FY) is the period 1 July to the following 30 June.</i></p>								
<b>Change to Incentive scheme for FY21</b>	<p>In previous years, Mr Davies, as Managing Director and Chief Executive Officer, has been awarded an STI equivalent to 60% of his Total Fixed Remuneration (<b>TFR</b>) and an LTI equivalent to 100% of his TFR.</p> <p>For FY21, the Board has:</p> <ul style="list-style-type: none"> <li>➤ STI - decreased the maximum potential STI from 60% of TFR to 40% of TFR (and will maintain this reduced level for FY22 and FY23);</li> <li>➤ LTI Tranche 1 - retained relative total shareholder return (<b>TSR</b>) performance as a key component of the LTI; and</li> <li>➤ LTI Tranche 2 - introduced a <b>special one-off award</b> for production transformation as a new tranche of LTI. This is structured to incentivise management to deliver up to a <b>five-fold increase in production</b> by the end of FY25 (being an increase from 2.08 million barrels of oil equivalent (<b>mmboe</b>) in FY20 to a stretch target of 10.4 mmboe at the end of FY25). This incentive is in accordance with Senex's stated strategy and aligns management incentive with shareholder value creation.</li> </ul>								
<b>Mr Davies' FY21 remuneration and structure</b>	<p>Mr Davies' current (FY21) total remuneration<sup>1</sup>:</p> <hr/> <table border="0" style="width: 100%;"> <tr> <td style="width: 60%;">TFR (including superannuation) per annum</td> <td style="text-align: right;">\$850,000</td> </tr> </table> <hr/> <table border="0" style="width: 100%;"> <tr> <td style="width: 60%;">Short-term incentive</td> <td style="text-align: right;">40% of TFR at maximum potential (stretch) (half in cash, half in Performance Rights)</td> </tr> </table> <hr/> <table border="0" style="width: 100%;"> <tr> <td style="width: 60%;">Long-term incentive – Tranche 1 (relative TSR)</td> <td style="text-align: right;">100% of TFR at maximum potential (stretch)</td> </tr> </table> <hr/> <table border="0" style="width: 100%;"> <tr> <td style="width: 60%;">Long-term incentive – Tranche 2 (production transformation)</td> <td style="text-align: right;">60% of TFR at target performance 160% of TFR at maximum potential (stretch)</td> </tr> </table> <hr/> <p><i>Note 1: The grant of FY21 STI and LTI Performance Rights are subject to shareholder approval.</i></p> <p>Shareholders are referred to the Remuneration Report for full details of Mr Davies' FY20 remuneration.</p>	TFR (including superannuation) per annum	\$850,000	Short-term incentive	40% of TFR at maximum potential (stretch) (half in cash, half in Performance Rights)	Long-term incentive – Tranche 1 (relative TSR)	100% of TFR at maximum potential (stretch)	Long-term incentive – Tranche 2 (production transformation)	60% of TFR at target performance 160% of TFR at maximum potential (stretch)
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<b>Number of Performance Rights</b>	<p>The maximum potential opportunity offered to Mr Davies to be paid via Performance Rights (being the number of FY21 Performance Rights granted) was determined by dividing the maximum potential opportunity (in total 280% of Mr Davies' FY21 TFR of \$850,000) by the participation price set out below.</p> <p>The Company proposes to issue up to 7,906,976 FY21 Performance Rights to Mr Davies or his nominee (this being the maximum potential award across all his FY21 Performance Rights), broken down as follows:</p> <table border="1" data-bbox="384 501 1422 920"> <thead> <tr> <th data-bbox="384 501 975 618">Incentive</th> <th data-bbox="975 501 1166 618">No. of Performance Rights</th> <th data-bbox="1166 501 1422 618">Value (% of TFR)</th> </tr> </thead> <tbody> <tr> <td data-bbox="384 618 975 719">FY21 STI: the equity portion of the maximum potential award</td> <td data-bbox="975 618 1166 719">564,784</td> <td data-bbox="1166 618 1422 719">20%</td> </tr> <tr> <td data-bbox="384 719 975 819">FY21 LTI Tranche 1 (relative TSR): maximum potential award</td> <td data-bbox="975 719 1166 819">2,823,920</td> <td data-bbox="1166 719 1422 819">100%</td> </tr> <tr> <td data-bbox="384 819 975 920">FY21 LTI Tranche 2 (production transformation): maximum potential award</td> <td data-bbox="975 819 1166 920">4,518,272</td> <td data-bbox="1166 819 1422 920">160%</td> </tr> </tbody> </table>	Incentive	No. of Performance Rights	Value (% of TFR)	FY21 STI: the equity portion of the maximum potential award	564,784	20%	FY21 LTI Tranche 1 (relative TSR): maximum potential award	2,823,920	100%	FY21 LTI Tranche 2 (production transformation): maximum potential award	4,518,272	160%
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FY21 LTI Tranche 2 (production transformation): maximum potential award	4,518,272	160%											
<b>Participation price</b>	<p>Performance Rights are calculated on a face value basis. For the FY21 STI and LTI, the participation price is \$0.301 per Performance Right, being the VWAP of Senex shares traded in the 10 trading days following release of the Company's FY20 full year results on 24 August 2020 (the 10 trading days from 24 August to 7 September 2020 inclusive). This is the same methodology used to calculate the number of Performance Rights awarded to other Senex Executives as part of the Company's incentive programs.</p>												

### Short-Term Incentive (STI)

<b>Date of grant</b>	<p>8 September 2020, being the day after the last trading day in the 10-day VWAP period used to determine the participation price. The grant is subject to shareholder approval.</p>
<b>Performance Period</b>	<p>FY21.</p>
<b>STI performance conditions</b>	<p>The FY21 STI comprises performance measures for FY21 based on:</p> <ul style="list-style-type: none"> <li>➤ three key areas of corporate performance: a) Health, Safety, Sustainability, Environment and Community measures, b) Earnings before interest, tax, depreciation and amortisation and c) Free Cash Flow, (which, combined, will comprise of 80% of the maximum potential STI); and</li> <li>➤ individual KPIs set by the Board for Mr Davies (which will comprise of 20% of the maximum potential STI).</li> </ul>
<b>Board determination of corporate performance</b>	<p>The award of some or all of the FY21 STI is subject to the Board's determination of the outcome against the FY21 STI performance measures.</p> <p>The corporate performance measures will include threshold outcomes (earning a 25% award for that measure), target outcomes (earning a 50% award) and stretch outcomes (earning a 100% award), and pro-rata between those levels. The Board may, at its discretion, determine there is no STI award for FY21.</p> <p>The FY21 STI offered to Mr Davies is on the same terms as offered to the Company's Executives.</p>



<b>Service condition</b>	There is a service condition for vesting of FY21 STI Performance Rights: that Mr Davies remain employed by the Company until the end of FY22.
<b>Vesting and deferral</b>	Mr Davies' FY21 STI award (if any) will be as follows: <ul style="list-style-type: none"> <li>➤ 50% of the award is payable in cash following the Board's determination of the FY21 STI outcome; and</li> <li>➤ 50% of the award will be a deferred entitlement (Performance Rights) which will vest on 1 July 2022, subject to the service condition.</li> </ul>

### Long-Term Incentive (LTI)

<b>Date of grant</b>	8 September 2020, being the same as for the FY21 STI (above).
<b>Period this relates to</b>	FY21 to FY23 (with the performance period for each tranche set out below), and with deferred payment of part of the award to FY25 (discussed below).
<b>Tranches of LTI</b>	The FY21 LTI Performance Rights to be granted to Mr Davies will be divided into two tranches: <p style="text-align: center;"><b>Tranche 1</b> - Relative TSR measured against two separate comparator groups.</p> <p style="text-align: center;"><b>Tranche 2</b> - Production transformation.</p> <p>Mr Davies' FY21 LTI has been structured as an issue of Performance Rights because Performance Rights create share price alignment between Mr Davies and shareholders. The performance conditions are discussed below in relation to each tranche.</p>
<b>Performance gate</b>	Each tranche of the FY21 LTI award is subject to Senex shares having a positive TSR over the period from the grant date to the end of the 10-trading day period following release of the Company's FY23 full year results.
<b>Service condition</b>	There is a service condition for vesting of FY21 LTI: that Mr Davies remain employed by the Company until the 10th trading day following release of the Company's FY23 full year results.

### FY21 LTI Tranche 1 (Relative TSR Performance)

<b>Relative TSR</b>	The award of some or all of the FY21 LTI Tranche 1 is subject to Senex's TSR performance relative to the TSR performance of the companies in each comparator group set out below; with a 50% weighting as against comparator group A and 50% as against comparator group B.
<b>Comparator group A</b>	The constituent companies in the S&P/ASX 300 Index less the constituent companies in the S&P/ASX 100 Index (essentially companies 101-300) as at 8 September 2020.  This group was selected as it is a material group of companies with which the Company competes for shareholder capital.
<b>Comparator group B</b>	The companies comprising the following energy companies:  Beach Energy Limited; Carnarvon Petroleum Limited; Central Petroleum Limited; Cooper Energy Limited; Karoon Gas Limited; Oil Search Limited; Origin Energy Limited, Santos Limited; Strike Energy Limited; Woodside Petroleum Limited.  These are the Company's peers in the oil and gas industry and a relevant comparator group in terms of attracting capital, competition for executive talent and companies that have comparable operational and economic risks as the Company.



<b>Performance period</b>	<p>TSR for the period FY21 to FY23 is calculated over a period commencing from grant date (8 September 2020) until close of trade on the 10th day of trading on the ASX following release of the Company's full year result for FY23.</p> <p>At the end of the performance period, the TSR of Senex and the other companies in the comparator group will be calculated and Senex's relative TSR ranking determined.</p>																				
<b>Performance condition</b>	<p>For each of comparator group A and B for the FY21 LTI, once Senex's relative TSR ranking is determined, the Performance Rights for Tranche 1 that will vest are determined according to the following vesting scale (and subject to the performance gate outlined earlier):</p> <table border="1" data-bbox="384 555 1420 958"> <thead> <tr> <th data-bbox="384 555 826 689">TSR percentile ranking</th> <th data-bbox="826 555 986 689">% of maximum award</th> <th data-bbox="986 555 1241 689">Value (% of TFR) of Performance Rights that vest per comparator group</th> <th data-bbox="1241 555 1420 689">Total Tranche 1 value (% of TFR) of Performance Rights that vest</th> </tr> </thead> <tbody> <tr> <td data-bbox="384 689 826 757">Below 50th percentile</td> <td data-bbox="826 689 986 757">0%</td> <td data-bbox="986 689 1241 757">0%</td> <td data-bbox="1241 689 1420 757">0%</td> </tr> <tr> <td data-bbox="384 757 826 824">At 50th percentile (target)</td> <td data-bbox="826 757 986 824">50%</td> <td data-bbox="986 757 1241 824">25% of TFR</td> <td data-bbox="1241 757 1420 824">50% of TFR</td> </tr> <tr> <td colspan="4" data-bbox="384 824 1420 891">Straight-line pro-rata vesting in between</td> </tr> <tr> <td data-bbox="384 891 826 958">75th percentile and above (stretch)</td> <td data-bbox="826 891 986 958">100%</td> <td data-bbox="986 891 1241 958">50% of TFR</td> <td data-bbox="1241 891 1420 958">100% of TFR</td> </tr> </tbody> </table> <p>Tranche 1 LTI Performance Rights that do not vest following testing lapse immediately.</p>	TSR percentile ranking	% of maximum award	Value (% of TFR) of Performance Rights that vest per comparator group	Total Tranche 1 value (% of TFR) of Performance Rights that vest	Below 50th percentile	0%	0%	0%	At 50th percentile (target)	50%	25% of TFR	50% of TFR	Straight-line pro-rata vesting in between				75th percentile and above (stretch)	100%	50% of TFR	100% of TFR
TSR percentile ranking	% of maximum award	Value (% of TFR) of Performance Rights that vest per comparator group	Total Tranche 1 value (% of TFR) of Performance Rights that vest																		
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75th percentile and above (stretch)	100%	50% of TFR	100% of TFR																		
<b>Comparator groups calculation</b>	<p>A constituent company that leaves comparator group A or B is not counted in the final calculation. A company that enters the comparator group A from 8 September 2020 will not be counted. Otherwise, the Board has discretion over the calculation methodology and may adjust the comparator group to take into account events including, but not limited to, takeovers, mergers or de-mergers that might occur during the performance period.</p>																				

### FY21 LTI Tranche 2 (Production Transformation)

<b>Background</b>	<p>Tranche 2 of the FY21 LTI has been structured to provide reward for exceptional performance in delivering a step change in the Company's production by FY25. The award of Performance Rights will be assessed at the end of FY23 and the award will vest progressively at the end of FY23, FY24 and FY25 (with adjustments if need be) as set out below.</p> <p>The Company is seeking to build on its successful establishment of two key natural gas projects in the Surat Basin (Atlas and Roma North) through development of its strong reserves position, organic growth and identifying new opportunities for growth to deliver a five-fold increase in production by the end of FY25 (from 2.08 mmboe in FY20 to a stretch target of 10.4 mmboe at the end of FY25). This performance award has been structured to incentivise management to achieve this stretch target through developing Senex's extensive gas reserves position and other growth opportunities to maximise shareholder value from its portfolio.</p>
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<b>Performance condition</b>	<p>The maximum potential Tranche 2 opportunity is subject to achieving the following production by the end of FY25 (and subject to the performance gate outlined earlier). The Performance Rights for Tranche 2 that will vest are determined according to the following:</p>																									
	<table border="1"> <thead> <tr> <th>Production rate by end of FY25</th> <th>Multiple of production (v. FY20)</th> <th>FY20 - FY25 CAGR<sup>1</sup></th> <th>Achievement</th> <th>Value (% of TFR) of Performance Rights that vest</th> </tr> </thead> <tbody> <tr> <td>Below 5.2 mmboe pa</td> <td></td> <td></td> <td></td> <td>nil</td> </tr> <tr> <td>5.2 mmboe pa</td> <td>2.5x</td> <td>19%</td> <td>Threshold</td> <td>30% of TFR</td> </tr> <tr> <td>6.25 mmboe pa</td> <td>3.0x</td> <td>26%</td> <td>Target</td> <td>60% of TFR</td> </tr> <tr> <td>10.4 mmboe pa</td> <td>5.0x</td> <td>37%</td> <td>Stretch</td> <td>160% of TFR</td> </tr> </tbody> </table>	Production rate by end of FY25	Multiple of production (v. FY20)	FY20 - FY25 CAGR <sup>1</sup>	Achievement	Value (% of TFR) of Performance Rights that vest	Below 5.2 mmboe pa				nil	5.2 mmboe pa	2.5x	19%	Threshold	30% of TFR	6.25 mmboe pa	3.0x	26%	Target	60% of TFR	10.4 mmboe pa	5.0x	37%	Stretch	160% of TFR
Production rate by end of FY25	Multiple of production (v. FY20)	FY20 - FY25 CAGR <sup>1</sup>	Achievement	Value (% of TFR) of Performance Rights that vest																						
Below 5.2 mmboe pa				nil																						
5.2 mmboe pa	2.5x	19%	Threshold	30% of TFR																						
6.25 mmboe pa	3.0x	26%	Target	60% of TFR																						
10.4 mmboe pa	5.0x	37%	Stretch	160% of TFR																						
	<p>Pro-rata award on a straight-line basis for production outcomes between 5.2 and 6.25 mmboe and between 6.25 and 10.4 mmboe.</p>																									
	<p><i>Note 1: Compound annual growth rate</i></p>																									
<b>Board assessment of Award (FY23)</b>  <b>Final Investment Decision (FID)</b>	<p>The board will during FY21-FY23 sanction investments for increased production (FID) and then assess the project execution and production from those growth projects:</p> <div style="text-align: center;"> </div> <p>Testing of FY25 production will occur at the end of FY23, after which the board will determine the award for Tranche 2 of the LTI (the <b>Award</b>) by assessing the expected production level at the end of FY25 based on sanctioned investments (each the subject of a formal final investment decision (<b>FID</b>)) committed during the performance period and levels of production expected by the end of FY25. FID for each investment in production will be to a bankable standard with investment parameters, economics, schedule and production outcomes approved by the Senex board. Any Tranche 2 LTI Performance Rights that do not form part of the Award lapse immediately.</p> <p><b>One-third</b> of the Award will vest following the board's determination after the end of FY23 (subject to the service condition being satisfied). The remaining two-thirds of the Award will vest in accordance with the board's assessments outlined below.</p>																									

<p><b>Board assessment of Award (FY24 and FY25)</b></p> <p><b>Execution and production adjustment of Award</b></p>	<p>At the end of FY24 and again at the end of FY25 the Board will assess performance against the board approved plan evidenced by the applicable FIDs. <b>One-third</b> of the Award (subject to any downward adjustment determined by the board) will vest at the end of FY24, with the remainder of the Award (again subject to any downward adjustment determined by the board) to vest at the end of FY25.</p> <p>The board will make a downward adjustment to the Award if demonstrated performance and outcomes at the time are below expected performance. The Board will, as part of these determinations, assess project execution, demonstrated ramp-up of production, production levels achieved, overall project delivery and economic performance against board approved FID plans.</p> <p>The Award (determined at the end of FY23) cannot be increased and the assessment periods cannot be extended.</p> <p>There is no service condition in relation to vesting of the 2nd and 3rd instalments of this LTI tranche.</p>
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### General Terms and Conditions

<p><b>Senex Performance Rights</b></p>	<p>The Performance Rights for the FY21 STI and FY21 LTI are issued under the Senex Employee Performance Rights Plan (<b>Rights Plan</b>), which was last approved by shareholders at the Annual General Meeting held 18 November 2019. The Rights Plan has not changed since then. The board can amend the Rights Plan at any time. All material terms of the Rights Plan applicable to the grant of the FY21 Performance Rights are summarised in this notice.</p>
<p><b>Issue of Performance Rights and shares in Senex</b></p>	<p>If Resolution 4 is passed, the Company will be able to proceed with the issue of FY21 Performance Rights to Mr Davies, approval will not be required under ASX Listing Rule 7.1 and the Performance Rights will be issued to Mr Davies as soon as practicable after the AGM. In any event, they will not be granted more than 12 months after the date of the AGM. The grant of Performance Rights will in due course involve the issue of ordinary shares (one share for one Performance Right) if the Performance Rights vest and are exercised.</p> <p>If Resolution 4 is not passed, the Company will not be able to proceed with the issue of FY21 Performance Rights and the Company will, on the vesting date, pay in cash the value of those Performance Rights that would have vested on that vesting date if shareholders had approved the issue of those securities at the 2020 AGM and Mr Davies had exercised all of those vested Performance Rights on that vesting date.</p>
<p><b>Cessation of employment</b></p>	<p>In the event that Mr Davies ceases employment as a good leaver prior to the end of FY23, the board will make an appropriate decision around the Mr Davies' contribution and the extent to which unvested Performance rights vest, vest to some extent or lapse. If employment ceases after the 10 trading days following release of Senex's FY23 full year results (September 2023), any Performance Rights will stay on foot (to the extent they are awarded). In the event that Mr Davies ceases employment as a bad leaver prior to the end of FY23 any unvested Performance Rights will be forfeited.</p>
<p><b>Change of control</b></p>	<p>Under the Rights Plan, in the event of change of control, Performance Rights that are subject to a performance condition are tested against that performance condition at the time of change of control and, subject to the Board's discretion, will vest, vest to some extent or lapse on that basis, or on the basis of the extent to which the performance period has elapsed, at that time. The Board may exercise an overriding discretion to vest, or increase vesting of, Performance Rights that would otherwise lapse upon change of control. All vested Performance Rights including those that vest on change of control will be deemed to be exercised at the time change of control occurs.</p>

<p><b>General terms and other information</b></p>	<ul style="list-style-type: none"> <li>• The Performance Rights will be granted at no cost to Mr Davies, and no amount is payable on the vesting or exercise of Performance Rights. The Performance Rights will vest when the Board determines the outcome of the relevant performance condition. Once Performance Rights vest, Mr Davies will be entitled to exercise the vested Performance Rights up to seven years after grant date, and to receive for each exercised Performance Right, one fully paid ordinary share in the Company which, when allocated, will rank equally with shares in the same class. At the Company's election, cash to the same value can be paid as an alternative to providing part or all of the shares.</li> <li>• Performance Rights granted under the Rights Plan do not carry any dividend or voting rights.</li> <li>• The Performance Rights lapse if the performance conditions are not met unless the Board exercises its overriding discretion to vest, or increase vesting of, Performance Rights that would otherwise lapse.</li> <li>• Mr Davies is the only Director entitled to participate in the Rights Plan.</li> <li>• There is no loan in relation to the Performance Rights.</li> <li>• The ASX Listing Rules require this Notice of Meeting to state the number and average price of securities that have previously been issued to Mr Davies under the Rights Plan. Since 2011 Mr Davies has been issued 22,512,447 Performance Rights (at no cost) of which 8,660,283 (38%) have lapsed, 6,045,968 (27%) have vested and 7,806,196 (35%) remain unvested.</li> <li>• Details of Performance Rights issued under the Rights Plan will be published in the Company's Annual Report relating to the period in which they were issued, along with a statement that approval for the issues was obtained under listing rule 10.14. Any additional persons covered by ASX Listing Rule 10.14 who become entitled to participate in an issue of shares under the Rights Plan after this resolution is approved and who are not named in this notice of meeting will not participate until approval is obtained under that rule.</li> </ul>
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**The directors (other than Mr Davies who is abstaining) recommend that shareholders vote FOR this resolution.**

## Voting Notes

### Voting entitlement

For the purpose of voting, the Company has determined under regulation 7.11.37 *Corporations Regulations 2001* that persons taken to be shareholders will be those persons recorded in the Company's register of shareholders as at 6.00pm AEDT (Brisbane) / 7.00pm AEDT (Sydney, Melbourne) on Tuesday, 17 November 2020.

### Participating in the AGM online

The Directors encourage shareholders to participate in the meeting via the Lumi online meeting platform. While shareholders will be able to vote on the resolutions online during the meeting in real time, shareholders are encouraged to lodge a proxy ahead of the meeting, even if they are participating online. If you are unable to attend, please lodge your vote online at [www.investorvote.com.au](http://www.investorvote.com.au).

Shareholders participating in the meeting using the Lumi online platform will be able to vote between the commencement of the meeting and the closure of voting as announced by the Chair during the meeting.

By participating in the meeting online you will be able to:

- hear and view meeting slides;
- submit questions at the appropriate time while the meeting is in progress; and
- vote during the meeting.

Instructions on how to log on to ask questions during the meeting are outlined below and available here: [www.edocumentview.com.au/SXY2020](http://www.edocumentview.com.au/SXY2020). Please note, only shareholders may ask questions online and only once they have been verified. It may not be possible to respond to all questions raised during the meeting. Shareholders are therefore encouraged to lodge questions prior to the AGM, as outlined on page 3.

If you choose to participate in the meeting online, registration will open at 8.30am AEST (Brisbane) / 9.30am AEDT (Sydney, Melbourne) on Thursday, 19 November 2020. To participate in the meeting online, you can log in to the meeting from your computer, or from your mobile device by entering the URL in their browser: [www.web.lumiagm.com/330263625](http://www.web.lumiagm.com/330263625).

Once on the URL, shareholders will need the following information to participate in the AGM in real-time:

1. The meeting ID for the Senex AGM, which is **330263625**;
2. Your username, which is your SRN/HIN; and
3. Your password, which is the postcode registered to your holding if you are an Australian shareholder. Overseas shareholders should refer to the Online Meeting Guide (link below) for their password details.

Further information regarding participating in the AGM online, including browser requirements, is detailed in the Online Meeting Guide available here: [www.edocumentview.com.au/SXY2020](http://www.edocumentview.com.au/SXY2020).

## **Voting by proxy**

If you are entitled to attend and vote at the meeting, you can appoint a proxy to attend and vote on your behalf. A proxy need not be a shareholder of the Company and may be an individual or a body corporate. A personalised proxy form is enclosed with this Notice of Meeting. If you are entitled to cast two or more votes, you may appoint two proxies and may specify the proportion or number of votes each proxy is appointed to exercise. If you do not specify a proportion or number, each proxy may exercise half of the votes. If you appoint a proxy, the Company encourages you to direct your proxy how to vote on each item by marking the appropriate boxes on the proxy form.

Shareholders are encouraged to notify an appointed proxy of their appointment to enable them to participate in the meeting online and to exercise your voting instructions. Appointed proxies will need to contact the Company's share registry, Computershare Investor Services to obtain a username and password to vote online.

## **Chairman of the AGM acting as proxy**

A shareholder may appoint the Chairman of the annual general meeting as their proxy. If a shareholder directs the Chairman how to vote on a resolution, the Chairman must vote in accordance with that direction. For Proxy Forms without voting instructions, the Chairman intends to vote all undirected proxies FOR all resolutions. To authorise the Chairman to vote as your proxy in accordance with these intentions, please follow the instructions on the proxy form carefully and mark the appropriate box.

## **Lodgement of proxy forms**

Shareholders who elected to receive their notice of meeting and proxy form electronically or have provided the Company with their email address will have received an email with a link to the Computershare site. You will need a specific six-digit Control Number to vote online. This number is located on the front of your letter. In order to take effect, your completed proxy form (and any necessary supporting documentation) must be received by Computershare Investor Services no later than 9.30am AEST (Brisbane)/ 10.30am AEDT (Sydney, Melbourne) on Tuesday, 17 November 2020, being 48 hours before the commencement of the meeting. If the proxy form is signed by an attorney, the original power of attorney under which the proxy form was signed (or a certified copy) must also be received by Computershare Investor Services by 9.30am AEST (Brisbane)/ 10.30am AEDT (Sydney, Melbourne) on Tuesday, 17 November 2020. You can arrange to receive shareholder information electronically by contacting Computershare on 1800 676 061 (within Australia) or +61 3 9415 4033 (outside Australia) or at [www.computershare.com.au](http://www.computershare.com.au) (Investor Centre).

## **All resolutions will be by poll**

The Chair intends to call a poll on each of the resolutions set out in this Notice of Meeting.

## **Technical difficulties**

Technical difficulties may arise during the AGM. The Chairman has discretion as to whether and how the meeting should proceed if a technical difficulty arises. In exercising this discretion, the Chairman will have regard to the number of shareholders impacted and the extent to which participation in the business of the meeting is affected. Where the Chair considers it appropriate, the Chair may continue to hold the meeting and transact business, including conducting a poll and voting in accordance with valid proxy instructions. For this reason, shareholders are encouraged to lodge a proxy by 9.30am AEST (Brisbane)/ 10.30am AEDT (Sydney, Melbourne) on Tuesday, 17 November 2020 even if they plan to attend online.





Senex Energy Limited

ABN 50 008 942 827

## Need assistance?



**Phone:**

1300 850 505 (within Australia)  
+61 3 9415 4000 (outside Australia)



**Online:**

[www.investorcentre.com/contact](http://www.investorcentre.com/contact)



## YOUR VOTE IS IMPORTANT

For your proxy appointment to be effective it must be received by **9.30am (AEST) Tuesday 17 November 2020.**

# Proxy Form

## How to Vote on Items of Business

All your securities will be voted in accordance with your directions.

### APPOINTMENT OF PROXY

**Voting 100% of your holding:** Direct your proxy how to vote by marking one of the boxes opposite each item of business. If you do not mark a box your proxy may vote or abstain as they choose (to the extent permitted by law). If you mark more than one box on an item your vote will be invalid on that item.

**Voting a portion of your holding:** Indicate a portion of your voting rights by inserting the percentage or number of securities you wish to vote in the For, Against or Abstain box or boxes. The sum of the votes cast must not exceed your voting entitlement or 100%.

**Appointing a second proxy:** You are entitled to appoint up to two proxies to attend the meeting and vote on a poll. If you appoint two proxies you must specify the percentage of votes or number of securities for each proxy, otherwise each proxy may exercise half of the votes. When appointing a second proxy write both names and the percentage of votes or number of securities for each in Step 1 overleaf.

**A proxy need not be a securityholder of the Company.**

### SIGNING INSTRUCTIONS FOR POSTAL FORMS

**Individual:** Where the holding is in one name, the securityholder must sign.

**Joint Holding:** Where the holding is in more than one name, all of the securityholders should sign.

**Power of Attorney:** If you have not already lodged the Power of Attorney with the registry, please attach a certified photocopy of the Power of Attorney to this form when you return it.

**Companies:** Where the company has a Sole Director who is also the Sole Company Secretary, this form must be signed by that person. If the company (pursuant to section 204A of the Corporations Act 2001) does not have a Company Secretary, a Sole Director can also sign alone. Otherwise this form must be signed by a Director jointly with either another Director or a Company Secretary. Please sign in the appropriate place to indicate the office held. Delete titles as applicable.

## Lodge your Proxy Form:

### Online:

Use your computer or smartphone to appoint your proxy and vote at [www.investorvote.com.au](http://www.investorvote.com.au) or scan your personalised QR code below using your smartphone.

Your secure access information is

**Control Number: 184692**

**SRN/HIN:**

For Intermediary Online subscribers (custodians) go to [www.intermediaryonline.com](http://www.intermediaryonline.com)

### By Mail:

Computershare Investor Services Pty Limited  
GPO Box 242  
Melbourne VIC 3001  
Australia

### By Fax:

1800 783 447 within Australia or  
+61 3 9473 2555 outside Australia



**PLEASE NOTE:** For security reasons it is important that you keep your SRN/HIN confidential.

**Change of address.** If incorrect, mark this box and make the correction in the space to the left. Securityholders sponsored by a broker (reference number commences with 'X') should advise your broker of any changes.

# Proxy Form

Please mark  to indicate your directions

## Step 1 Appoint a Proxy to Vote on Your Behalf

I/We being a member/s of Senex Energy Limited hereby appoint

the Chairman of the Meeting **OR**

**PLEASE NOTE:** Leave this box blank if you have selected the Chairman of the Meeting. Do not insert your own name(s).

or failing the individual or body corporate named, or if no individual or body corporate is named, the Chairman of the Meeting, as my/our proxy to act generally at the meeting on my/our behalf and to vote in accordance with the following directions (or if no directions have been given, and to the extent permitted by law, as the proxy sees fit) at the Annual General Meeting of Senex Energy Limited to be held via an online platform at [web.lumiagm.com/330263625](http://web.lumiagm.com/330263625) on Thursday 19 November 2020 at 9.30am (AEST) and at any adjournment or postponement of that meeting.

**Chairman authorised to exercise undirected proxies on remuneration related resolutions:** Where I/we have appointed the Chairman of the Meeting as my/our proxy (or the Chairman becomes my/our proxy by default), I/we expressly authorise the Chairman to exercise my/our proxy on **Resolutions 3 and 4** (except where I/we have indicated a different voting intention in step 2) even though **Resolutions 3 and 4** are connected directly or indirectly with the remuneration of a member of key management personnel, which includes the Chairman.

**Important Note:** If the Chairman of the Meeting is (or becomes) your proxy you can direct the Chairman to vote for or against or abstain from voting on **Resolutions 3 and 4** by marking the appropriate box in step 2.

## Step 2 Items of Business

**PLEASE NOTE:** If you mark the **Abstain** box for an item, you are directing your proxy not to vote on your behalf on a poll and your votes will not be counted in computing the required majority.

### ORDINARY BUSINESS

	For	Against	Abstain
Resolution 1 To re-elect Ralph Craven	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 2 To re-elect Glenda McLoughlin	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 3 Adoption of remuneration report	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 4 To approve the proposed issue of FY21 Performance Rights to the Managing Director and CEO	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

The Chairman of the Meeting intends to vote undirected proxies in favour of each item of business. In exceptional circumstances, the Chairman of the Meeting may change his/her voting intention on any resolution, in which case an ASX announcement will be made.

## Step 3 Signature of Securityholder(s) *This section must be completed.*

Individual or Securityholder 1  Securityholder 2  Securityholder 3  / /  
 Sole Director & Sole Company Secretary Director Director/Company Secretary Date

### Update your communication details *(Optional)*

Mobile Number  Email Address   
 By providing your email address, you consent to receive future Notice of Meeting & Proxy communications electronically