



2021  
CORPORATE  
GOVERNANCE  
STATEMENT

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# CARBON REVOLUTION'S APPROACH TO CORPORATE GOVERNANCE

The Board is committed to conducting the business of Carbon Revolution in accordance with high standards of corporate governance and with a view to creating and delivering value for Carbon Revolution's shareholders while taking into account the interests of other stakeholders, including employees, customers, suppliers and the wider community.

The Board considers that high standards of corporate governance are a cornerstone to creating long-term and sustainable shareholder value, and fostering a culture of personal and corporate integrity and compliance which values ethical, lawful, and responsible behaviour, accountability, fairness, transparency and respect for others.

The Board is committed to fulfilling its corporate governance responsibilities in the best interests of Carbon Revolution and its stakeholders. Accordingly, the Board has created a framework for managing Carbon Revolution, including adopting relevant internal controls, risk management processes and corporate governance policies and practices that it believes are appropriate for Carbon Revolution's business. The framework is designed to promote the responsible management and conduct of Carbon Revolution.

Carbon Revolution's governance framework, policies and processes are consistent with the 4th edition of the ASX Corporate Governance Principles and Recommendations (ASX Recommendations), unless otherwise indicated in the Carbon Revolution 2021 Corporate Governance Statement. Carbon Revolution Corporate Governance Statement is released to the ASX simultaneously as the 2021 Annual Report and available at <https://investors.carbonrev.com/Investor-Centre/?page=corporate-governance>.

Copies of Carbon Revolution's Code of Conduct (including its Values), key corporate governance policies and the charters for the Board and each of its committees are available at the Corporate Governance section of the Company website at <https://investors.carbonrev.com/Investor-Centre/?page=corporate-governance>.

This Corporate Governance Statement has been approved by the Board and is current as of 23 August 2021.

# THE BOARD

## 2.1 BOARD ROLE AND RESPONSIBILITIES

The Board is responsible for the overall corporate governance of Carbon Revolution.

The Board has adopted a written charter to provide a framework for the effective operation of the Board, which sets out:

- the Board's composition;
- the Board's role and responsibilities;
- the relationship and interaction between the Board and Management; and
- the authority delegated by the Board to Management and Board committees.

The Board's role is to:

- represent and serve the interests of Shareholders by overseeing and appraising Carbon Revolution's strategies, policies, and performance. This includes overseeing the financial and human resources Carbon Revolution has in place to meet its objectives and reviewing Management performance;
- protect and optimise Carbon Revolution's performance and build sustainable value for Shareholders in accordance with any duties and obligations imposed on the Board by law and the Constitution and within a framework of prudent and effective controls that enable risk to be assessed and managed;
- set, review and monitor compliance with Carbon Revolution's values and governance framework (including establishing and observing high ethical standards); and
- ensure Shareholders are kept informed of Carbon Revolution's performance and major developments affecting its state of affairs.

While the Board retains ultimate responsibility for the strategy and performance of Carbon Revolution, the day-to-day operation of Carbon Revolution is conducted by or under the supervision of the Chief Executive Officer as directed by the Board. Management must supply the Board with information in a form, timeframe and quality that will enable the Board to discharge its duties effectively. Directors are entitled to request additional information at any time when they consider it appropriate.

The Board collectively, and each Director individually, has the right to seek independent professional advice, subject to the approval of the Chair or the Board as a whole.

Further detail on the respective roles and responsibilities of the Board and Management are set out in the Board Charter, a copy of which is available at the Corporate Governance section of the Company website.

The Company has a Delegation Policy which defines authorities delegated by the Board to Management and clarifies the authority levels reserved to the Board.

The Board has established an Audit and Risk Committee and a Remuneration and Nomination Committee. Other committees may be established by the Board as and when required. Further detail on the respective roles and responsibilities of the Committees of the Board is set out in sections 3 and 4 below. The number of times each Committee met through FY21 is set out in section 3.2 of the 2021 Annual Report.

## 2.2 COMPOSITION OF THE BOARD

The Board of Directors is comprised of seven Directors at the start of FY21, and then six Directors during the year following the retirement of Bruce Griffiths in November 2020.

The Board of Directors is now comprised of five Directors following the retirement of Peter Lewinsky in July 2021. The planned reorganisation of the Board composition was disclosed in the 2020 Notice of Annual General Meeting (AGM). Our five directors are made up of four independent non-executive Directors and the Chief Executive Officer/Managing Director.

Director	Independent	Term	Last re-election	Qualifications
James Douglas, Chair	Y	Director since 2011 and Chair since 2012		BSc, LLB, GAICD
Jake Dingle, Managing Director and CEO	N	Director since 2008 and CEO and MD since 2012	Not applicable	BE Mech, MBA, GAICD
Lucia Cade	Y	Director since 2018	2020 AGM	BE, M Eng Sc, BEc, MBA, FEA, FAICD
Dale McKee	Y	Director since 2018		BBus, FCA
Mark Bernhard	Y	Director since 2019		BBus, MBA, GAICD

Dale McKee and Mark Bernhard will stand for re-election at the 2021 AGM on 29 October 2021. Details of their re-election will be available in the 2021 Notice of AGM to be released in September.

Detailed biographies of the Directors, including their qualifications and experience, are available on the Company's website and in section 3.2 of the 2021 Annual Report.



## 2.3 DIRECTOR INDEPENDENCE

The Board considers a Director to be independent where he or she is free of any interest, position or relationship that might influence, or might reasonably be perceived to influence, in a material respect, his or her capacity to bring independent judgment to bear on issues before the Board and to act in the best interests of Carbon Revolution as a whole rather than an individual Shareholder or other party. The Board reviews the independence of each Non-Executive Director in light of information disclosed to the Board.

The Board Charter sets out guidelines to assist in considering the independence of Directors and has adopted a definition of independence that is based on the 4th edition ASX Recommendations.

The Board considers that each of the current and past non-executive directors: James Douglas, Lucia Cade, Dale McKee, Mark Bernhard, Bruce Griffiths and Peter Lewinsky, is free from any interest, position, association or relationship that might influence, or might reasonably be perceived to influence, in a material respect, his or her capacity to bring independent judgment to bear on issues before the Board and to act in the best interests of Carbon Revolution and its shareholders generally and is able to fulfil the role of an independent director for the purposes of the ASX Recommendations.

James Douglas previously held an executive position with Carbon Revolution as Chief Financial Officer within three years of his appointment to the position of Chair. In addition, Mr Douglas joined the Board of Export Finance Australia (EFA) as a non-executive director during FY21. EFA provides a \$13m term loan debt facility to Carbon Revolution under standard commercial terms and arms-length arrangements. EFA replaced Ronal AG as a financier to Carbon Revolution in November 2020. The Board has concluded that Mr Douglas' previous executive position and current position at EFA do not interfere with or compromise his ability to exercise objective or independent judgment in relation to matters before the Board or with his ability to act in the best interests of the Company as a whole. Accordingly, the Board has determined that Mr Douglas is an Independent Director.

Jake Dingle is not considered by the Board to be an Independent Director as he is the Chief Executive Officer of Carbon Revolution.

## 2.4 COMPANY SECRETARY

The Company Secretary is accountable to the Board on all matters to do with the proper functioning of the Board. All Directors have direct access to the Company Secretary and vice versa. A decision to appoint or remove the Company Secretary requires Board approval. Further details about the Company Secretary can be found in section 3.2 of the 2021 Annual Report.

# PEOPLE AND REMUNERATION

## 3.1 REMUNERATION AND NOMINATION COMMITTEE

Under its Charter, this Committee must consist of a minimum of three members of the Board, only Non-Executive Directors, a majority of Independent Directors and an Independent Director as chair. The Remuneration and Nomination Committee comprises:

- Lucia Cade (Chair since 6 November 2020)
- Mark Bernhard
- James Douglas (since 6 November 2020)
- Bruce Griffiths (Chair up to 6 November 2020)

The responsibilities of the Remuneration and Nomination Committee include:

- reviewing and recommending to the Board remuneration arrangements for Non-Executive Directors;
- reviewing and recommending to the Board employment and remuneration arrangements for the CEO and the senior executive team;
- approving major changes and developments in Carbon Revolution's policies and procedures related to remuneration, recruitment, retention, termination, and performance assessment for senior management;
- reviewing Carbon Revolution's remuneration framework to confirm it encourages a culture aligned with the Company's values, supports the Company's strategic objectives, is aligned with the Company's risk management framework; and is aligned with the Company's Environmental, Social and Governance (ESG) principles;
- overseeing the operation of Carbon Revolution's employee equity incentive plans and recommending to the Board whether offers are to be made under any of Carbon Revolution's employee incentive plans in respect of a financial year;
- reviewing and recommending to the Board the terms of any incentive offers made to the CEO and other members of the senior executive team;
- reviewing and recommending to the Board the size and composition of the Board, including reviewing Board succession plans and the succession of the Chair;
- reviewing the succession plans for the CEO and other senior executives;
- reviewing and making recommendations on overall HR strategy, general employment and HR policies and practices, and industrial relations strategies that would be mutually beneficial and sustainable to both employees and the Company;
- in accordance with the Diversity and Inclusion Policy, developing and recommending to the Board measurable objectives for achieving diversity in the composition of the Board, senior executives, and workforce generally, and assessing Carbon Revolution's progress in achieving those objectives.

All Non-Executive Directors who are not members of the Remuneration and Nomination Committee have a standing invitation to attend Remuneration and Nomination Committee meetings and often do. Non-committee members, including members of Management, may attend all or part of a meeting of the Committee at the invitation of the Committee Chair.

A copy of the Remuneration and Nomination Committee Charter is available at the Corporate Governance section of the Company website.

### 3.2 BOARD SKILLS

The objective of the Board is that its membership should comprise Directors with a broad range of skills, expertise, and experience from a wide range of backgrounds, including diversity, that allows the Directors individually and the Board collectively to discharge their responsibilities and duties, having regard to the Company's business, the industry and markets in which it operates.

During FY21, the Remuneration and Nomination Committee and Board completed a review of the Board Skills Matrix to satisfy itself that the skill matrix is still appropriate, reflects the nature of the business and aligns with the strategic objectives and long-term strategy of Carbon Revolution. The foundation skills of financial acumen, strategy and governance are generally expected to be held by all Directors. The refreshed Board Skills Matrix is as follows :

Skills	Criteria
Commercial Leadership	Senior leadership experience. Strategic delivery in complex or high growth industries. Ability to balance growth and adequate risk controls. Senior experience in capital markets, capital raising and stakeholder management.
People and Culture	Board people and culture/remuneration and nomination committee membership or senior executive equivalent experience in remuneration design and governance, workplace culture, talent management, diversity and inclusion and succession planning.
ESG and Sustainability	Experience in environment, social and governance with emphasis upon policy, strategy and management systems that drive sustainable outcomes.
Technology Development and Commercialisation	Experience commercialising technology, building businesses and transitioning businesses. Management or involvement in R&D in a high technology risk environment.
Industrialisation and Advanced manufacturing	Experience in integration of new technologies, including automation, digitalisation, and innovative production processes. Experience in composites manufacturing, complex manufacturing systems and process controls.
Automotive and Aerospace Industry	Experience in global automotive or aerospace industries, particularly product development processes; sales and marketing of new technology to OEMs and managing inputs and deliveries as part of complex global supply chain.
Marketing and Customer Experience	Experience in dealing with complex sales partnership models, global automotive clients or other multinational customers. Understands customer experience from business to business and consumer perspective. Experience in brand development and brand marketing in large organisations.
Global Experience	Senior leadership experience in the USA, Europe or North Asia. Exposed to a range of political, cultural, regulatory and business environments. Experience managing international growth.



The Remuneration and Nomination Committee will use the Board Skills Matrix to:

- ensure there is a range of skills and experience in the membership of the Board to enable the Board to fulfil its responsibilities;
- assist in determining professional development opportunities for Directors; and
- guide the selection of new Directors.

Directors are expected to undertake any necessary continuing professional education to enable them to discharge their duties. In addition, we periodically review the capabilities of our Directors to ensure they maintain the skills and knowledge required.

The Board has determined that the annual review of the Board Skills Matrix and Board Succession will be scheduled at around November/December each year. The outcome of the reviews will be disclosed in the following year.

### **3.3 BOARD PERFORMANCE EVALUATION**

During FY21, the Board formally evaluated the performance of the Audit and Risk Committee in October 2020 through a survey conducted by an external consultant. The key findings of the review were discussed at the following Committee and Board meetings.

The evaluation of the performance of the Board as a whole, the Remuneration and Nomination Committee, and individual Directors for FY21 will be undertaken after the 2021 Annual General Meeting. This is so that the evaluations are conducted simultaneously based on the completion of all governance activities for the reporting period.

### **3.4 ENGAGEMENT AND REMUNERATION OF NON-EXECUTIVE DIRECTORS**

Upon appointment, each Director receives a letter of appointment.

An induction process is in place in which new Directors are given opportunities to meet with senior executives and tour the facility at Waurm Ponds and are provided with key materials including Board and Committee charters and the Company's core corporate governance policies.

Non-Executive Directors receive a fixed amount of fees for their services. Further details in relation to the remuneration of Non-Executive Directors is contained in the Remuneration Report located at section 3.4 of the 2021 Annual Report.

### 3.5 APPOINTMENT AND SUCCESSION OF NON-EXECUTIVE DIRECTORS

A Director appointed to the Board must stand for election at the next Annual General Meeting (AGM). Directors must stand for re-election at the third AGM following their election. There is no limit on Director tenure. A recommendation that the Board supports an existing Director standing for election or re-election is not automatic.

Potential candidates for the Board as well as Directors standing for re-election will be assessed according to several factors, including but not limited to:

- skills, experience and knowledge, that will best complement the skill set and characteristics of existing Directors and enhance Board effectiveness;
- personal qualities and attributes which align with the Company's values;
- diversity of Board composition;
- capacity to devote the time and commitment to the role; and
- potential conflicts of interest and independence.

Appropriate background checks, including the person's character, experience, education, criminal record and bankruptcy history, will be performed before any potential candidate is appointed by the Board or recommended to shareholders as a candidate for election or re-election.

Carbon Revolution will provide shareholders with all material information in its possession relevant to a decision on whether or not to elect or re-elect a Director in the Notice of AGM.

As indicated in section 2.2, Dale McKee and Mark Bernhard will be standing for re-election at the 2021 AGM.

### 3.6 ENGAGEMENT AND REMUNERATION OF SENIOR EXECUTIVES

The Board oversees the remuneration framework both directly and through the Remuneration and Nomination Committee.

Carbon Revolution's remuneration framework is designed to be appropriate for the listed environment and designed to pay fairly for achieving the business strategy and delivering sustainable value to shareholders and employees. The fundamental principles underlying Carbon Revolution's remuneration framework are:

- performance-based;
- market competitive;
- drives strategic and shareholder value;
- promotes employee ownership; and
- simple and fair.

The Company's remuneration framework for the senior executive team comprises the following three key components:

- fixed remuneration – comprising base salary, superannuation contributions and other benefits;
- short-term incentive (STI) – an annual 'at-risk' incentive opportunity typically delivered in cash and deferred equity if specified performance measures are met, designed to drive individual and team performance to deliver annual business plans and increase shareholder value; and
- long-term incentive (LTI) – an annual 'at risk' component of remuneration where senior executives are awarded performance rights which are subject to an earnings per share (EPS) performance condition and a service condition, designed to achieve shareholder alignment through equity ownership and to deliver shareholder value through performance hurdles.

Carbon Revolution's remuneration framework, policies and practices and full details of the remuneration paid to key management personnel (KMP) are described in detail in the Remuneration Report at section 3.4 in the 2021 Annual Report.

It is the Company's policy that employees who receive equity-based remuneration are not permitted to enter into transactions (whether through the use of derivatives or otherwise) to limit the economic risk of participating in these schemes. The Securities Dealing Policy includes provisions to reflect this position. The Securities Dealing Policy is published in the Corporate Governance section of the Company's website. In addition, the Company has introduced an online training for employees to familiarise themselves with the policy during the year.

The Managing Director / Chief Executive Officer and each senior executive have a written contract with the Company, setting out the terms of their employment, including details of their role, responsibilities, and remuneration. In addition, appropriate checks are undertaken before a senior executive is appointed, including the person's character, experience, education, criminal record and bankruptcy history.

### **3.7 SENIOR EXECUTIVE PERFORMANCE EVALUATION**

All employees, including senior executives, participate in performance reviews, where the achievement of critical goals are discussed and assessed, and future goals are agreed upon. The Managing Director / Chief Executive Officer undertakes the performance evaluation of the other senior executives. The Board Chair, and Chair of the Remuneration and Nomination Committee, facilitate the performance evaluation of the Managing Director / Chief Executive Officer with ultimate oversight by the Board. A performance evaluation for the Managing Director / Chief Executive Officer and the senior executive team in relation to FY21 took place following completion of the financial year.

### 3.8 DIVERSITY AND INCLUSION

Carbon Revolution values a diverse and inclusive workplace. The Board and Management believe that a diverse and inclusive workplace will support the ongoing growth and success of the business by:

- improving innovation, creativity, and the quality of decisions;
- fostering the attraction and retention of the best talent;
- improving the employee experience and generating discretionary effort; and
- ultimately improving the solutions provided for our customers.

Our approach to diversity and inclusion is outlined in our Diversity and Inclusion Policy which can be found in the Corporate Governance section of the Company's website.

Given the current profile of its workforce, Carbon Revolution is committed to advancing women in the workplace. The Board acknowledges the opportunity to improve female participation particularly at Board and senior executive level and this will be progressively addressed.

Female Representation at Carbon Revolution <sup>1</sup>	FY21	FY20
Board <sup>2</sup>	16.7%	14.1%
Senior executive team <sup>3</sup>	12.5%	0%
Salaried Staff (including Production Group Leaders)	18.3%	18.5%
Operators	17.2%	19.1%
<b>Overall workforce (including Board)</b>	<b>18.3%</b>	<b>18.9%</b>

Carbon Revolution's Diversity and Inclusion Policy requires the Board to set measurable objectives for achieving gender diversity. Given that listing occurred during FY20, the Company did not have formal measurable objectives for achieving gender diversity in FY20.

During the year, Management developed the Diversity and Inclusion Strategy for the business which the Board approved. This provides the basis for the measurable objectives set for FY21. Set out in the next page are the measurable objectives and outcomes for FY21:

1 Further details are available in Carbon Revolution's Workplace Gender Equality Act report FY21, which is available on the Company's website.

2 Reflects Board structure as at 30 June 2021. Peter Lewinsky retired from the Board in July 2021.

3 Includes direct executive reports to CEO and member of executive team. Does not include the CEO who is included in the Board data.

Objective	Description and Measures	Outcomes
<p><b>1. Leadership and Culture</b></p> <p>Carbon Revolution recognises the need for leadership to build and sustain a diverse and inclusive culture</p>	<ul style="list-style-type: none"> <li>Diversity Council established and led by the CEO. Quarterly review meetings to drive progress and strategy</li> <li>Engage workforce in diversity and inclusion training</li> </ul>	<ul style="list-style-type: none"> <li>Diversity Council established October 2020</li> <li>Meeting cadence and agendas established</li> <li>Our Values, Implicit Bias, Bullying &amp; Harassment and Speak-Up Training delivered through a new EdApp online training platform</li> </ul>
<p><b>2. Attraction, Retention and Career Development of Female Talent</b></p> <p>Carbon Revolution recognises the current workforce profile and as a growing business will provide opportunities to attract, develop, engage and retain more female employees</p>	<ul style="list-style-type: none"> <li>Gender pay equity reviews to be completed and reviewed by Management and Board</li> <li>Develop and complete training on managing unconscious bias for HR and line managers</li> </ul>	<ul style="list-style-type: none"> <li>Gender pay analysis completed with both fixed remuneration and incentives proving both market-competitive and equitable based on role and experience</li> <li>Job evaluation methodologies and market pricing processes will be implemented in FY22 to enable additional analysis and further progress to be made</li> <li>Unconscious Bias training delivered through EdApp</li> </ul>
<p><b>3. Policy Development and Governance</b></p> <p>Carbon Revolution, as a recently listed organisation, recognises the need for further policy development to build and sustain improvements in diversity and inclusion</p>	<ul style="list-style-type: none"> <li>Recruitment policies developed to attract more female candidates especially in targeted roles</li> <li>Review and update the Parental Leave policy</li> <li>Design and promote the Flex@CR framework</li> </ul>	<ul style="list-style-type: none"> <li>Paid Parental Leave and Domestic Violence policies were presented for approval in June 2021. Updated policies will be incorporated into the Flex@CR framework and communicated to employees in Q1, FY22</li> <li>Carbon Revolution used its participation in the 2021 Workplace Gender Equality Agency (WGEA) survey to benchmark its diversity and inclusion policies and practices. The outcome of the benchmarking exercise informs the Company's 2022 objectives</li> </ul>



In 2022 Carbon Revolution will continue efforts to attract, retain and promote diverse talent and create an inclusive workplace by focusing on the following objectives and measures:

Objective	Description	Measures
<b>1. Recruitment</b>	<ul style="list-style-type: none"> <li>• Policies and measures to assess female participation at each stage of the recruitment pipeline need to be implemented</li> </ul>	<ul style="list-style-type: none"> <li>• Increased number of qualified female candidates short listed and interviewed during the hiring process</li> <li>• 33% female hires for all replacement and new salaried positions</li> <li>• Increase female representation from 18.3% to 23% of total salaried workforce by June 2022</li> </ul>
<b>2. Talent Management</b>	<ul style="list-style-type: none"> <li>• Improved talent management processes need to be established to remove unconscious gender bias and encourage female promotion</li> </ul>	<ul style="list-style-type: none"> <li>• Implementation of performance calibration processes by July 2021</li> <li>• Comparable performance distributions with “Exceptional” and “Exceeds Expectations” performance ratings equally proportioned by gender</li> <li>• At least one female internal candidate (ready immediately, 1 to 3 years or 3+ years) for each core and critical role identified in company succession plans</li> </ul>
<b>3. Remuneration &amp; Pay Equity</b>	<ul style="list-style-type: none"> <li>• Establish a globally recognised job evaluation and job pricing methodology introduced to better assess levels of pay equity</li> </ul>	<ul style="list-style-type: none"> <li>• Comparisons of remuneration outcomes by gender by job value completed and shared with the Executive Team by August 2021</li> <li>• Action plans developed for pay equity gap closure by September 2021</li> <li>• Progressive completion consistent with action plans by June 2022</li> </ul>

Objective	Description	Measures
<b>4. Policy Development</b>	<ul style="list-style-type: none"> <li>• Paid Parental Leave and Domestic Violence Leave introduced in Q1, 2022</li> <li>• Internal and external communication campaign initiated to advise employees and future candidates of the benefit improvements</li> </ul>	<ul style="list-style-type: none"> <li>• Policy completed and communicated by September 2021</li> <li>• Development work on a future pathway towards WGEA Employer of Choice status to be completed by June 2022</li> </ul>
<b>5. Flexible Work</b>	<ul style="list-style-type: none"> <li>• D&amp;I survey data will be collected as a subset of a broader employee opinion survey, providing context to survey and systemic analysis of any underlying employee feedback</li> <li>• Enable improved access to child care for parents of pre-school aged children</li> <li>• Enable improved access to care arrangements for employees who have dependents with a disability or aged care responsibilities</li> <li>• Job Sharing to be added as a flexible work option and included in the Flex@CR framework</li> </ul>	<ul style="list-style-type: none"> <li>• Completed review of employee opinion survey data to assess the effectiveness of new flexible policies and seek ideas for further improvement</li> <li>• Full survey to be launched and completed in August 2021, with pulse surveys in December 2021 and March 2022</li> <li>• Introduction of a package of dependent care arrangements for employees requiring assistance for dependents for introduction prior to June 2022</li> <li>• Talent attraction materials and channels fully updated to reflect all improvements to the Flex@CR framework throughout the year to June 2022</li> <li>• Completed job analysis review to assess which roles can be best adapted to flexible work arrangement. Job adverts will specifically call out flexible roles by June 2022</li> </ul>

# AUDIT, RISK MANAGEMENT AND ASSURANCE

## 4.1 AUDIT AND RISK COMMITTEE

Under its Charter, this Committee must consist of a minimum of three members of the Board, only Non-Executive Directors, a majority of Independent Directors and an Independent Chair who is not the Chair of the Board. The Audit and Risk Committee comprises:

- Dale McKee (Chair)
- James Douglas
- Mark Bernhard (since 9 July 2021)
- Peter Lewinsky (up to 9 July 2021)

The Audit and Risk Committee's responsibilities include:

- reviewing financial and other periodic reports;
- overseeing the relationship with the external auditor and the external audit function generally;
- overseeing the design and implementation of appropriate internal controls and systems and the process for gathering objective assurance on their effective operation;
- overseeing processes for identifying and managing financial and non-financial risk; and
- overseeing processes for monitoring compliance with laws and regulations.

All Non-Executive Directors who are not members of the Audit and Risk Committee have a standing invitation to attend Audit and Risk Committee meetings and often do. In addition, non-committee members, including members of Management and the external auditor, may attend meetings of the Committee at the invitation of the Committee chair.

A copy of the Audit and Risk Committee Charter is available in the Corporate Governance section of the Company's website.

## 4.2 RISK MANAGEMENT AND ASSURANCE

The Board views effective risk management as essential to achieving the Company's operational and strategic objectives.

Both directly and through the Audit and Risk Committee, the Board is responsible for Carbon Revolution's risk management framework.

During the year, the Board reviewed Carbon Revolution's risk management framework to satisfy itself that it is sound and that Carbon Revolution is operating with due regard to the risk appetite set by the Board. The review was undertaken with the assistance of an external consultant. It included recommendations to enhance the maturity of the risk management framework and support the development of an assurance process. As a result of this review, improvements to the framework were implemented during FY21 and will continue to be implemented in FY22.

The Key Risks register was updated to include climate change and sustainability risk during FY21, and as a consequence, the Board's Risk Appetite Statement was updated to reflect climate change risk.

Through Carbon Revolution's Risk Appetite Statement, the Board determines the Company's appetite for risk after considering its strategic objectives and other factors, including regulatory and legal requirements, shareholder and customer expectations, financial position and organisational culture.

The Audit and Risk Committee has primary responsibility for evaluating the effectiveness of the Company's risk management and control processes. The responsibilities of the Audit and Risk Committee in relation to risk management are detailed in its Charter.

Day to day responsibility for managing risk and implementing internal control lies with the senior executive team. The Company is committed to the identification, monitoring and management of risks associated with its business activities and has included in its management and reporting systems a number of risk management controls, including the maintenance of risk registers, identification of key risks and their controls, and the inclusion of risk management as a standing agenda item at all regular Audit and Risk Committee meetings.

At this stage, Carbon Revolution does not have a formal internal audit function but Management is currently implementing a process for gathering at least equivalent levels of objective assurance on the effective operation of internal controls as would be available from an internal audit function. The Committee will continue to assess whether appropriate levels of objective assurance on the effective operation of internal controls is available.

Further detail in relation to the key risks which Carbon Revolution is exposed to is contained in the Operating and Financial Review section of the 2021 Annual Report.

#### **4.3 ENVIRONMENTAL AND SOCIAL SUSTAINABILITY**

Carbon Revolution has exposure to some level of environmental and social risks. As noted earlier, climate change and sustainability risk has been added to the Company's Key Risks register and Risk Appetite Statement, and Board Skills Matrix in FY21. Management and the Board will be reviewing the Company's long-term strategies in light of climate change and will be putting in place emissions and sustainability targets as part of its commitment to ESG during FY22.

The automotive supply chain has some exposure to the carbon emission regulations being implemented in numerous jurisdictions, however the Board expects these regulations will lead to manufacturers increasingly seeking light weighting and efficiency solutions. Carbon Revolution recognises the need for an effective recycling process of end of life wheels. We are initiating activities that will see a greater use of recycled materials within our wheels and a focus on bringing the recycling of our waste streams closer to our facilities or onsite to reduce the distances that they travel. We also anticipate an increasing involvement with potential end users of the recycled materials that we are not able to utilise. A number of end uses for this recycled material exist globally today and this is increasing due to the growth carbon fibre composite manufacturing activities that are producing recycled materials.

Carbon Revolution has developed a Business Ethics and Purchasing Policy, addressing issues including:

- product and plant integrity (including counterfeit and conflict minerals);
- bribery, corruption and money-laundering;
- fair working conditions;
- export controls; and
- environment.

Carbon Revolution is progressively requesting its key suppliers commit to this policy.

#### 4.4 CORPORATE REPORTING

The Company's annual Directors' report and annual and half-year financial statements are subject to audit or review by the Company's external auditor.

In addition, Carbon Revolution issues certain periodic corporate reports which are not audited or reviewed by its external auditor. However, such reports are verified internally by Management ahead of release to the market. The verification process incorporates cross-checking and signing off of financial information and other statements contained in periodic corporate reports by relevant members of Management, and as relevant, the Disclosure Committee or the Board.

The Chief Executive Officer and Chief Financial Officer have for FY21 assured the Board through their half-year and annual declarations provided in accordance with section 295A of the Corporations Act 2001 (Cth), that the financial records of Carbon Revolution 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 Company and that the opinion has been formed on the basis of a sound system of risk management and internal control and that the system is operating effectively.

Through the equivalent quarterly declarations, the Chief Executive Officer and Chief Financial Officer have also assured the Board that the financial reporting for the relevant quarters in FY21 has been founded on a sound system of risk management and internal controls which is operating effectively.



## ENGAGEMENT WITH SHAREHOLDERS

Carbon Revolution is committed to transparency and openness in its communication with its shareholders. It works to keep shareholders fully informed regarding developments and important information affecting the Company.

The primary channel for shareholders to access information about Carbon Revolution is the Carbon Revolution website, which generally provides information about the Company and includes a dedicated area for investors <https://investors.carbonrev.com/Investor-Centre/>.

This investor page includes the following information:

- an overview on Carbon Revolution business, its Board of Director and Management team
- corporate governance materials such as the Company's Code of Conduct, Constitution, Board and Committee Charters, Disclosure policy, Speak-Up policy, Securities Dealing policy and other related governance policies
- ASX announcements
- reports and presentations, including the Annual Report, financial results and accompanying presentations to the market
- information about the share price
- links to and contact details for Carbon Revolution's share registry, Link Market Services
- contact details for enquiries by shareholders and analysts

Shareholders may send and receive communications with Carbon Revolution and Link Market Services electronically. The annual general meeting is an important opportunity for shareholders to hear the Chief Executive Officer and Chair provide updates on the Company's performance, ask questions of the Board, and express a view and vote on a poll on the various matters of Company business. Shareholders may also ask questions of the Company's external auditor at the meeting. Carbon Revolution encourages its shareholders to attend its annual general meeting.

Carbon Revolution also commits to dealing with shareholder queries in a respectful and timely manner whenever the Company receives them. Carbon Revolution has an active investor engagement program in Australia that includes scheduled briefings following half-yearly and annual results reporting and during the annual general meeting period. Other ad-hoc briefings are held with institutional investors, private investors, analysts, and the media throughout the year. These briefings and presentations provide an opportunity for two-way communication between Carbon Revolution and these stakeholders.

The Company ensures provision of equal access to material information by observing the following:

- all discussions with investors and analysts are conducted by or with the sanction of the Chief Executive Officer or the Chief Financial Officer, and are limited to explanation of previously disclosed material;
- where information is likely to be materially price sensitive then, in line with its legal obligations and Disclosure Policy, Carbon Revolution immediately discloses the information to the market;
- all formal Carbon Revolution presentations are released to the market prior to delivery; and
- meetings with analysts to discuss financial results are not held during blackout periods.

The Board receives copies of all material market-sensitive announcements promptly after they have been released to the ASX.

# CORPORATE GOVERNANCE POLICIES

Set out below is a summary of Carbon Revolution's key corporate governance policies.

The Audit and Risk Committee receives information regarding material breaches of the Code of Conduct and Anti-bribery and Corruption Policy, and reports of material incidents under the Speak Up Policy, and the Board is provided with monthly updates on occupational health and safety performance.

## 6.1 ANTI-BRIBERY AND CORRUPTION POLICY

Carbon Revolution is committed to acting ethically and has zero-tolerance for bribery and corruption. Carbon Revolution has developed an Anti-bribery and Corruption Policy for countering bribery and corruption.

The Anti-bribery and Corruption Policy requires that personnel and business partners of Carbon Revolution must not pay, offer, promise or accept, directly or indirectly, any bribe, kickback, secret commission, facilitation payment, or other form of improper payment, or otherwise breach relevant anti-corruption laws.

The Anti-bribery and Corruption Policy also requires that personnel and business partners of Carbon Revolution must not do any of the following if doing so would constitute a breach of the Anti-bribery and Corruption Policy:

- make political donations on behalf of Carbon Revolution;
- make any charitable or community donations or sponsorships which are or could be perceived as bribes;
- offer, provide or accept gifts, hospitality or travel contrary to the terms of the Anti-Bribery and Corruption Policy;
- falsify or misdescribe any book, record or account relating to Carbon Revolution's business; or
- cause or authorise any of the above conduct or any other conduct which is inconsistent with the Anti-Bribery and Corruption Policy or any anti-corruption laws.

## 6.2 DISCLOSURE POLICY

Carbon Revolution is aware of its obligation to keep the market fully informed of any information it becomes aware of concerning Carbon Revolution, which may have a material effect on the price or value of Carbon Revolution's securities, subject to certain exceptions. Carbon Revolution has adopted a Disclosure Policy to reinforce its commitment to addressing its continuous disclosure obligations and to describe the processes in place that enable Carbon Revolution to provide Shareholders with the timely disclosure of material price-sensitive information.

## 6.3 COMMUNICATIONS STRATEGY

Carbon Revolution aims to keep Shareholders informed of major developments affecting the state of affairs of Carbon Revolution. Carbon Revolution recognises that potential investors and other interested stakeholders may wish to obtain information about Carbon Revolution from time to time. To achieve this, Carbon Revolution will communicate information regularly to Shareholders and other stakeholders through a range of forums and publications, including Carbon Revolution's website, at the annual general meeting, and through this and subsequent annual reports and ASX announcements.

## 6.4 SECURITIES DEALING POLICY

Carbon Revolution has a Securities Dealing Policy that is intended to explain the types of conduct in relation to dealings in securities that are prohibited by law and establish procedures for the buying and selling of securities to ensure public confidence is maintained in the reputation of Carbon Revolution, the Directors, and employees and in the trading of Carbon Revolution's securities. The policy provides that Directors and employees must not:

- deal in Carbon Revolution's or another company's securities when they are aware of 'inside' information; and
- hedge unvested equity remuneration or vested equity subject to holding locks.

Directors and employees must also not deal in Carbon Revolution's securities during any of the following blackout periods (except in exceptional circumstances with approval):

- the period from the close of trading on the ASX on the date that is two weeks before 30 June each year until the day following the announcement to the ASX of the full-year results;
- the period from the close of trading on the ASX on the date that is two weeks before 31 December each year until the day following the announcement to the ASX of the half-year results; and
- any other period that the Board specifies from time to time.

In addition, for so long as the Company is required to lodge quarterly reports with the ASX, the following periods are also blackout periods:

- the period from the close of trading on the ASX on the date that is two weeks before 30 September each year until the day following the release of the 4C and announcement to ASX of the first quarter results; and
- the period from the close of trading on the ASX on the date that is two weeks before 31 March each year until the day following the release of the 4C and announcement to ASX of the third quarter results.

Outside these periods, Directors and employees must receive prior approval for any proposed dealing in Carbon Revolution's securities, and in all instances, buying or selling securities is not permitted at any time by any person who possesses 'inside' information.

## 6.5 CODE OF CONDUCT AND VALUES

Carbon Revolution is committed to integrity and ethical standards in all business practices. Accordingly, the Board has adopted a Code of Conduct that outlines how Carbon Revolution expects its employees and Directors to behave and conduct business in the workplace on a range of issues.

The Code is designed to:

- provide a benchmark for professional behaviour;
- support Carbon Revolution's business reputation and corporate image within the community; and
- make Directors and employees aware of the consequences of breaching the Code.

The key Values of the Company that underpin the Code of Conduct are as follows:

- our actions must be governed by high standards of integrity and fairness;
- our decisions must be made in accordance with the spirit and letter of applicable law; and
- our business must be conducted honestly and ethically, with our best skills and judgment, and for the benefit of customers, employees, shareholders and the Company alike.

## 6.6 SPEAK UP POLICY

Carbon Revolution has adopted a Speak Up Policy to provide a means for anyone with information about potential misconduct to report that information to the Company.

The Speak Up Policy:

- outlines Carbon Revolution's commitment to encouraging its people to speak up if they become aware of potential misconduct;
- explains how to make a report and what protections a discloser will receive; and
- outlines Carbon Revolution's processes for responding to reports.

## 6.7 OCCUPATIONAL HEALTH AND SAFETY POLICY

Carbon Revolution is committed to providing and maintaining a safe and healthy workplace for all employees (including contractors) and clients, visitors and members of the public.

Hazards and risks to health and safety will be eliminated or minimised, as far as is reasonably practicable. In ensuring that Carbon Revolution provides a safe work environment, Management is committed to doing the following:

- Eliminate or minimise all workplace hazards and risks as far as is reasonably practicable
- Ensure the business complies with all legislation relating to health and safety
- Demonstrate commitment to supporting mental health in the workplace
- Manage workplace relationships respectfully
- Treat workers with fairness and respect at all times
- Demonstrate a zero-tolerance for bullying, discrimination and harassment
- Provide information, instruction and training to enable all employees to work safely
- Supervise employees to ensure work activities are safely performed
- Consult with and involve employees on matters relating to health, safety and wellbeing
- Provide appropriate safety equipment and personal protective equipment for all tasks
- Provide suitable injury management and return to work program







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Victoria 3216 Australia

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info@carbonrev.com  
carbonrev.com

# Appendix 4G

## Key to Disclosures

### Corporate Governance Council Principles and Recommendations

Name of entity

Carbon Revolution Limited

ABN/ARBN

96 128 274 653

Financial year ended:

30 June 2021

Our corporate governance statement<sup>1</sup> for the period above can be found at:<sup>2</sup>

- These pages of our annual report:
- This URL on our website: <https://investors.carbonrev.com/Investor-Centre/?page=corporate-governance>

The Corporate Governance Statement is accurate and up to date as at 23 August 2021 and has been approved by the board.

The annexure includes a key to where our corporate governance disclosures can be located.<sup>3</sup>

Date: 24 August 2021

Name of authorised officer  
authorising lodgement: David Nock

<sup>1</sup> "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.

<sup>2</sup> 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.

<sup>3</sup> 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, <sup>4</sup> we have followed the recommendation <b>in full</b> for the <b>whole</b> of the period above. We have disclosed this in our Corporate Governance Statement:	Where a box below is ticked, we have <b>NOT</b> followed the recommendation in full for the whole of the period above. Our reasons for not doing so are: <sup>5</sup>
<b>PRINCIPLE 1 – LAY SOLID FOUNDATIONS FOR MANAGEMENT AND OVERSIGHT</b>			
1.1	A listed entity should have and disclose a board charter setting out: (a) the respective roles and responsibilities of its board and management; and (b) those matters expressly reserved to the board and those delegated to management.	<input checked="" type="checkbox"/> and we have disclosed a copy of our board charter at: <a href="https://investors.carbonrev.com/Investor-Centre/?page=corporate-governance">https://investors.carbonrev.com/Investor-Centre/?page=corporate-governance</a>	<input type="checkbox"/> set out in our Corporate Governance Statement <b>OR</b> <input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable
1.2	A listed entity should: (a) undertake appropriate checks before appointing a director or senior executive or putting someone forward for election as a director; and (b) provide security holders with all material information in its possession relevant to a decision on whether or not to elect or re-elect a director.	<input checked="" type="checkbox"/>	<input type="checkbox"/> set out in our Corporate Governance Statement <b>OR</b> <input type="checkbox"/> 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.	<input checked="" type="checkbox"/>	<input type="checkbox"/> set out in our Corporate Governance Statement <b>OR</b> <input type="checkbox"/> 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.	<input checked="" type="checkbox"/>	<input type="checkbox"/> set out in our Corporate Governance Statement <b>OR</b> <input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable

<sup>4</sup> 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/”).

<sup>5</sup> 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.

## Key to Disclosures Corporate Governance Council Principles and Recommendations

Corporate Governance Council recommendation	Where a box below is ticked, <sup>4</sup> we have followed the recommendation <b>in full</b> for the <b>whole</b> 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: <sup>5</sup>
<p>1.5 A listed entity should:</p> <p>(a) have and disclose a diversity policy;</p> <p>(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</p> <p>(c) disclose in relation to each reporting period:</p> <p>(1) the measurable objectives set for that period to achieve gender diversity;</p> <p>(2) the entity's progress towards achieving those objectives; and</p> <p>(3) either:</p> <p>(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</p> <p>(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.</p> <p>If the entity was in the S&amp;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.</p>	<p><input checked="" type="checkbox"/></p> <p>and we have disclosed a copy of our diversity policy at: <a href="https://investors.carbonrev.com/Investor-Centre/?page=corporate-governance">https://investors.carbonrev.com/Investor-Centre/?page=corporate-governance</a></p> <p>and we have disclosed the information referred to in paragraph (c) at:</p> <p>our corporate governance statement.</p>	<p><input type="checkbox"/> set out in our Corporate Governance Statement <b>OR</b></p> <p><input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable</p>
<p>1.6 A listed entity should:</p> <p>(a) have and disclose a process for periodically evaluating the performance of the board, its committees and individual directors; and</p> <p>(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.</p>	<p><input checked="" type="checkbox"/></p> <p>and we have disclosed the evaluation process referred to in paragraph (a) at:</p> <p>our corporate governance statement</p> <p>and whether a performance evaluation was undertaken for the reporting period in accordance with that process at:</p> <p>our corporate governance statement.</p>	<p><input type="checkbox"/> set out in our Corporate Governance Statement <b>OR</b></p> <p><input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable</p>

## Key to Disclosures Corporate Governance Council Principles and Recommendations

Corporate Governance Council recommendation		Where a box below is ticked, <sup>4</sup> we have followed the recommendation <u>in full</u> for the <u>whole</u> 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: <sup>5</sup>
1.7	<p>A listed entity should:</p> <p>(a) have and disclose a process for evaluating the performance of its senior executives at least once every reporting period; and</p> <p>(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.</p>	<p><input checked="" type="checkbox"/> and we have disclosed the evaluation process referred to in paragraph (a) at:</p> <p>our corporate governance statement.</p> <p>and whether a performance evaluation was undertaken for the reporting period in accordance with that process at:</p> <p>our corporate governance statement.</p>	<p><input type="checkbox"/> set out in our Corporate Governance Statement <b>OR</b></p> <p><input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable</p>



## Key to Disclosures Corporate Governance Council Principles and Recommendations

Corporate Governance Council recommendation	Where a box below is ticked, <sup>4</sup> we have followed the recommendation <b>in full</b> for the <b>whole</b> 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: <sup>5</sup>	
<b>PRINCIPLE 2 - STRUCTURE THE BOARD TO BE EFFECTIVE AND ADD VALUE</b>			
2.1	<p>The board of a listed entity should:</p> <p>(a) have a nomination committee which:</p> <p>(1) has at least three members, a majority of whom are independent directors; and</p> <p>(2) is chaired by an independent director, and disclose:</p> <p>(3) the charter of the committee;</p> <p>(4) the members of the committee; and</p> <p>(5) as at the end of each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or</p> <p>(b) if it does not have a nomination committee, disclose that fact and the processes it employs to address board succession issues and to ensure that the board has the appropriate balance of skills, knowledge, experience, independence and diversity to enable it to discharge its duties and responsibilities effectively.</p>	<p><input checked="" type="checkbox"/> and we have disclosed a copy of the charter of the committee at: <a href="https://investors.carbonrev.com/Investor-Centre/?page=corporate-governance">https://investors.carbonrev.com/Investor-Centre/?page=corporate-governance</a> and the information referred to in paragraphs (4) and (5) at: section 3.2 of the 2021 Annual Report.</p>	<p><input type="checkbox"/> set out in our Corporate Governance Statement <b>OR</b></p> <p><input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable</p>
2.2	<p>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.</p>	<p><input checked="" type="checkbox"/> and we have disclosed our board skills matrix at: our corporate governance statement.</p>	<p><input type="checkbox"/> set out in our Corporate Governance Statement <b>OR</b></p> <p><input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable</p>
2.3	<p>A listed entity should disclose:</p> <p>(a) the names of the directors considered by the board to be independent directors;</p> <p>(b) if a director has an interest, position, 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</p> <p>(c) the length of service of each director.</p>	<p><input checked="" type="checkbox"/> and we have disclosed the names of the directors considered by the board to be independent directors at: our corporate governance statement.</p> <p>and, where applicable, the information referred to in paragraph (b) at: our corporate governance statement.</p> <p>and the length of service of each director at: our corporate governance statement.</p>	<p><input type="checkbox"/> set out in our Corporate Governance Statement</p>

## Key to Disclosures Corporate Governance Council Principles and Recommendations

Corporate Governance Council recommendation		Where a box below is ticked, <sup>4</sup> we have followed the recommendation <b>in full</b> for the <b>whole</b> of the period above. We have disclosed this in our Corporate Governance Statement:	Where a box below is ticked, we have <b>NOT</b> followed the recommendation in full for the whole of the period above. Our reasons for not doing so are: <sup>5</sup>
2.4	A majority of the board of a listed entity should be independent directors.	<input checked="" type="checkbox"/>	<input type="checkbox"/> set out in our Corporate Governance Statement <b>OR</b> <input type="checkbox"/> 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.	<input checked="" type="checkbox"/>	<input type="checkbox"/> set out in our Corporate Governance Statement <b>OR</b> <input type="checkbox"/> 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.	<input checked="" type="checkbox"/>	<input type="checkbox"/> set out in our Corporate Governance Statement <b>OR</b> <input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable
<b>PRINCIPLE 3 – INSTIL A CULTURE OF ACTING LAWFULLY, ETHICALLY AND RESPONSIBLY</b>			
3.1	A listed entity should articulate and disclose its values.	<input checked="" type="checkbox"/> and we have disclosed our values: in our Code of Conduct at <a href="https://investors.carbonrev.com/Investor-Centre/?page=corporate-governance">https://investors.carbonrev.com/Investor-Centre/?page=corporate-governance</a>	<input type="checkbox"/> set out in our Corporate Governance Statement
3.2	A listed entity should: (a) have and disclose a code of conduct for its directors, senior executives and employees; and (b) ensure that the board or a committee of the board is informed of any material breaches of that code.	<input checked="" type="checkbox"/> and we have disclosed our code of conduct at: <a href="https://investors.carbonrev.com/Investor-Centre/?page=corporate-governance">https://investors.carbonrev.com/Investor-Centre/?page=corporate-governance</a>	<input type="checkbox"/> set out in our Corporate Governance Statement
3.3	A listed entity should: (a) have and disclose a whistleblower policy; and (b) ensure that the board or a committee of the board is informed of any material incidents reported under that policy.	<input checked="" type="checkbox"/> and we have disclosed our whistleblower policy at: <a href="https://investors.carbonrev.com/Investor-Centre/?page=corporate-governance">https://investors.carbonrev.com/Investor-Centre/?page=corporate-governance</a>	<input type="checkbox"/> set out in our Corporate Governance Statement
3.4	A listed entity should: (a) have and disclose an anti-bribery and corruption policy; and (b) ensure that the board or committee of the board is informed of any material breaches of that policy.	<input checked="" type="checkbox"/> and we have disclosed our anti-bribery and corruption policy at: <a href="https://investors.carbonrev.com/Investor-Centre/?page=corporate-governance">https://investors.carbonrev.com/Investor-Centre/?page=corporate-governance</a>	<input type="checkbox"/> set out in our Corporate Governance Statement

## Key to Disclosures Corporate Governance Council Principles and Recommendations

Corporate Governance Council recommendation	Where a box below is ticked, <sup>4</sup> we have followed the recommendation <u>in full</u> for the <u>whole</u> 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: <sup>5</sup>	
<b>PRINCIPLE 4 – SAFEGUARD THE INTEGRITY OF CORPORATE REPORTS</b>			
4.1	<p>The board of a listed entity should:</p> <p>(a) have an audit committee which:</p> <p>(1) has at least three members, all of whom are non-executive directors and a majority of whom are independent directors; and</p> <p>(2) is chaired by an independent director, who is not the chair of the board,</p> <p>and disclose:</p> <p>(3) the charter of the committee;</p> <p>(4) the relevant qualifications and experience of the members of the committee; and</p> <p>(5) in relation to each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or</p> <p>(b) if it does not have an audit committee, disclose that fact and the processes it employs that independently verify and safeguard the integrity of its corporate reporting, including the processes for the appointment and removal of the external auditor and the rotation of the audit engagement partner.</p>	<p><input checked="" type="checkbox"/></p> <p>and we have disclosed a copy of the charter of the committee at: <a href="https://investors.carbonrev.com/Investor-Centre/?page=corporate-governance">https://investors.carbonrev.com/Investor-Centre/?page=corporate-governance</a> and the information referred to in paragraphs (4) and (5) at: section 3.2 of the 2021 Annual Report</p>	<p><input type="checkbox"/> set out in our Corporate Governance Statement</p>
4.2	<p>The board of a listed entity should, before it approves the entity's financial statements for a financial period, receive from its CEO and CFO a declaration that, in their opinion, the financial records of the entity have been properly maintained and that the financial statements comply with the appropriate accounting standards and give a true and fair view of the financial position and performance of the entity and that the opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.</p>	<p><input checked="" type="checkbox"/></p>	<p><input type="checkbox"/> set out in our Corporate Governance Statement</p>
4.3	<p>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.</p>	<p><input checked="" type="checkbox"/></p>	<p><input type="checkbox"/> set out in our Corporate Governance Statement</p>

## Key to Disclosures Corporate Governance Council Principles and Recommendations

Corporate Governance Council recommendation		Where a box below is ticked, <sup>4</sup> we have followed the recommendation <b>in full</b> for the <b>whole</b> of the period above. We have disclosed this in our Corporate Governance Statement:	Where a box below is ticked, we have <b>NOT</b> followed the recommendation in full for the whole of the period above. Our reasons for not doing so are: <sup>5</sup>
<b>PRINCIPLE 5 – MAKE TIMELY AND BALANCED DISCLOSURE</b>			
5.1	A listed entity should have and disclose a written policy for complying with its continuous disclosure obligations under listing rule 3.1.	<input checked="" type="checkbox"/> and we have disclosed our continuous disclosure compliance policy at: <a href="https://investors.carbonrev.com/Investor-Centre/?page=corporate-governance">https://investors.carbonrev.com/Investor-Centre/?page=corporate-governance</a>	<input type="checkbox"/> 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.	<input checked="" type="checkbox"/>	<input type="checkbox"/> 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.	<input checked="" type="checkbox"/>	<input type="checkbox"/> set out in our Corporate Governance Statement
<b>PRINCIPLE 6 – RESPECT THE RIGHTS OF SECURITY HOLDERS</b>			
6.1	A listed entity should provide information about itself and its governance to investors via its website.	<input checked="" type="checkbox"/> and we have disclosed information about us and our governance on our website at: <a href="https://investors.carbonrev.com">https://investors.carbonrev.com</a>	<input type="checkbox"/> 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.	<input checked="" type="checkbox"/>	<input type="checkbox"/> 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.	<input checked="" type="checkbox"/> and we have disclosed how we facilitate and encourage participation at meetings of security holders at: our corporate governance statement.	<input type="checkbox"/> 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.	<input checked="" type="checkbox"/>	<input type="checkbox"/> 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.	<input checked="" type="checkbox"/>	<input type="checkbox"/> set out in our Corporate Governance Statement

## Key to Disclosures Corporate Governance Council Principles and Recommendations

Corporate Governance Council recommendation	Where a box below is ticked, <sup>4</sup> we have followed the recommendation <b>in full</b> for the <b>whole</b> 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: <sup>5</sup>	
<b>PRINCIPLE 7 – RECOGNISE AND MANAGE RISK</b>			
7.1	<p>The board of a listed entity should:</p> <p>(a) have a committee or committees to oversee risk, each of which:</p> <p>(1) has at least three members, a majority of whom are independent directors; and</p> <p>(2) is chaired by an independent director, and disclose:</p> <p>(3) the charter of the committee;</p> <p>(4) the members of the committee; and</p> <p>(5) as at the end of each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or</p> <p>(b) if it does not have a risk committee or committees that satisfy (a) above, disclose that fact and the processes it employs for overseeing the entity's risk management framework.</p>	<p><input checked="" type="checkbox"/> and we have disclosed a copy of the charter of the committee at: <a href="https://investors.carbonrev.com/Investor-Centre/?page=corporate-governance">https://investors.carbonrev.com/Investor-Centre/?page=corporate-governance</a> and the information referred to in paragraphs (4) and (5) at: section 3.2 of the 2021 Annual Report.</p>	<p><input type="checkbox"/> set out in our Corporate Governance Statement</p>
7.2	<p>The board or a committee of the board should:</p> <p>(a) review the entity's risk management framework at least annually to satisfy itself that it continues to be sound and that the entity is operating with due regard to the risk appetite set by the board; and</p> <p>(b) disclose, in relation to each reporting period, whether such a review has taken place.</p>	<p><input checked="" type="checkbox"/> and we have disclosed whether a review of the entity's risk management framework was undertaken during the reporting period at: our corporate governance statement.</p>	<p><input type="checkbox"/> set out in our Corporate Governance Statement</p>
7.3	<p>A listed entity should disclose:</p> <p>(a) if it has an internal audit function, how the function is structured and what role it performs; or</p> <p>(b) if it does not have an internal audit function, that fact and the processes it employs for evaluating and continually improving the effectiveness of its governance, risk management and internal control processes.</p>	<p><input checked="" type="checkbox"/> 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: our corporate governance statement.</p>	<p><input type="checkbox"/> set out in our Corporate Governance Statement</p>

## Key to Disclosures Corporate Governance Council Principles and Recommendations

Corporate Governance Council recommendation		Where a box below is ticked, <sup>4</sup> we have followed the recommendation <u>in full</u> for the <u>whole</u> 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: <sup>5</sup>
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.	<input checked="" type="checkbox"/> and we have disclosed whether we have any material exposure to environmental and social risks at: our corporate governance statement and, if we do, how we manage or intend to manage those risks at: section 3.1 of the 2021 Annual Report.	<input type="checkbox"/> set out in our Corporate Governance Statement

## Key to Disclosures Corporate Governance Council Principles and Recommendations

Corporate Governance Council recommendation	Where a box below is ticked, <sup>4</sup> we have followed the recommendation <b>in full</b> for the <b>whole</b> of the period above. We have disclosed this in our Corporate Governance Statement:	Where a box below is ticked, we have <b>NOT</b> followed the recommendation in full for the whole of the period above. Our reasons for not doing so are: <sup>5</sup>	
<b>PRINCIPLE 8 – REMUNERATE FAIRLY AND RESPONSIBLY</b>			
8.1	<p>The board of a listed entity should:</p> <p>(a) have a remuneration committee which:</p> <p>(1) has at least three members, a majority of whom are independent directors; and</p> <p>(2) is chaired by an independent director, and disclose:</p> <p>(3) the charter of the committee;</p> <p>(4) the members of the committee; and</p> <p>(5) as at the end of each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or</p> <p>(b) if it does not have a remuneration committee, disclose that fact and the processes it employs for setting the level and composition of remuneration for directors and senior executives and ensuring that such remuneration is appropriate and not excessive.</p>	<p><input checked="" type="checkbox"/> and we have disclosed a copy of the charter of the committee at: <a href="https://investors.carbonrev.com/Investor-Centre/?page=corporate-governance">https://investors.carbonrev.com/Investor-Centre/?page=corporate-governance</a> and the information referred to in paragraphs (4) and (5) at: section 3.2 of the 2021 Annual Report.</p>	<p><input type="checkbox"/> set out in our Corporate Governance Statement <b>OR</b></p> <p><input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable</p>
8.2	<p>A listed entity should separately disclose its policies and practices regarding the remuneration of non-executive directors and the remuneration of executive directors and other senior executives.</p>	<p><input checked="" type="checkbox"/> 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: section 3.4 of the 2021 Annual Report.</p>	<p><input type="checkbox"/> set out in our Corporate Governance Statement <b>OR</b></p> <p><input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable</p>
8.3	<p>A listed entity which has an equity-based remuneration scheme should:</p> <p>(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</p> <p>(b) disclose that policy or a summary of it.</p>	<p><input checked="" type="checkbox"/> and we have disclosed our policy on this issue or a summary of it at: our Securities Dealing policy at <a href="https://investors.carbonrev.com/Investor-Centre/?page=corporate-governance">https://investors.carbonrev.com/Investor-Centre/?page=corporate-governance</a></p>	<p><input type="checkbox"/> set out in our Corporate Governance Statement <b>OR</b></p> <p><input type="checkbox"/> we do not have an equity-based remuneration scheme and this recommendation is therefore not applicable <b>OR</b></p> <p><input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable</p>



## Key to Disclosures Corporate Governance Council Principles and Recommendations

Corporate Governance Council recommendation		Where a box below is ticked, <sup>4</sup> we have followed the recommendation <b>in full</b> for the <b>whole</b> 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: <sup>5</sup>
<b>ADDITIONAL RECOMMENDATIONS THAT APPLY ONLY IN CERTAIN CASES</b>			
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.	<input type="checkbox"/> and we have disclosed information about the processes in place at: ..... [insert location]	<input type="checkbox"/> set out in our Corporate Governance Statement <b>OR</b> <input type="checkbox"/> we do not have a director in this position and this recommendation is therefore not applicable <b>OR</b> <input type="checkbox"/> 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.	<input type="checkbox"/>	<input type="checkbox"/> set out in our Corporate Governance Statement <b>OR</b> <input type="checkbox"/> we are established in Australia and this recommendation is therefore not applicable <b>OR</b> <input type="checkbox"/> 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.	<input type="checkbox"/>	<input type="checkbox"/> set out in our Corporate Governance Statement <b>OR</b> <input type="checkbox"/> we are established in Australia and not an externally managed listed entity and this recommendation is therefore not applicable <input type="checkbox"/> we are an externally managed entity that does not hold an AGM and this recommendation is therefore not applicable
<b>ADDITIONAL DISCLOSURES APPLICABLE TO EXTERNALLY MANAGED LISTED ENTITIES</b>			
-	<i>Alternative to Recommendation 1.1 for externally managed listed entities:</i> The responsible entity of an externally managed listed entity should disclose: (a) the arrangements between the responsible entity and the listed entity for managing the affairs of the listed entity; and (b) the role and responsibility of the board of the responsible entity for overseeing those arrangements.	<input type="checkbox"/> and we have disclosed the information referred to in paragraphs (a) and (b) at: ..... [insert location]	<input type="checkbox"/> set out in our Corporate Governance Statement

Key to Disclosures Corporate Governance Council Principles and Recommendations

Corporate Governance Council recommendation		Where a box below is ticked, <sup>4</sup> we have followed the recommendation <u>in full</u> for the <u>whole</u> 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: <sup>5</sup>
-	<p><i>Alternative to Recommendations 8.1, 8.2 and 8.3 for externally managed listed entities:</i></p> <p>An externally managed listed entity should clearly disclose the terms governing the remuneration of the manager.</p>	<p><input type="checkbox"/></p> <p>and we have disclosed the terms governing our remuneration as manager of the entity at:</p> <p>.....</p> <p>[insert location]</p>	<p><input type="checkbox"/> set out in our Corporate Governance Statement</p>