



## **BOARD CHARTER**

*Aligned with the United Nations 17 Sustainable Development Goals<sup>1</sup>*

### **BACKGROUND**

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Most countries have laws prohibiting bribery and corruption. However, many countries (including Australia) also have laws that prohibit bribery and corruption, no matter the jurisdiction in which it occurs. A breach of these laws can be a serious offence, which may result in fines in respect of the relevant company, or the imprisonment of its employees. The appearance of a breach of these laws can also have a serious reputational impact on the company in question.

As a result of the above and as a matter of good corporate practice, the Board of Directors (the **Board**) of Conjugate Energy Limited (the **Company**) has implemented this Anti-bribery and Corruption Policy (this **Policy**) which applies to all members of the Company Group.

Certain types of payments are dealt with under the Policy to ensure openness, transparency, and consistency in approach across the Company Group.

### **WHO IS COVERED IN THIS POLICY?**

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This Policy covers all Company Personnel and Associated Persons.

## 1. BOARD OF DIRECTORS

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### General

This document sets out the main principles adopted by the Board of Directors of the Company in order to implement and maintain a culture of good corporate governance both internally and in its dealings with outsiders.

The Board of the Company is committed to administering the policies and procedures with openness and integrity, pursuing the true spirit of corporate governance commensurate with the Company's needs. The matters set out in this document may be subject to the *Corporations Act 2001* (Cth), the Company's Constitution and the ASX Listing Rules.

The purpose of preparing and disclosing the matters set out in this document is to:

- (1) formalise procedures to ensure the Company and the Board act in a transparent and appropriate manner in relation to both internal and external dealings;
- (2) ensure that appropriate checks, balances and procedures are in place to monitor the operations of the Company and those charged with its management;
- (3) provide for a transparent method for the community, stakeholders and shareholders to evaluate the performance of the Company from a corporate governance perspective.

In preparing, documenting and implementing these matters, the Company and the Board are mindful of the Corporate Governance Principles and Recommendations issued by the ASX Corporate Governance Council, and updated and re-issued from time to time.

### Functions, Powers and Responsibilities of the Board

Generally, the powers and obligations of the Board are governed by the *Corporations Act 2001* (Cth) and the general law. Without limiting those matters, the Board expressly considers itself responsible for the matters outlined below, noting that further specific details may be covered by other policies noted in this Charter, specifically including the Board Charter:

- (1) approving, reviewing, updating and enforcing as required, the Company's purpose and values, and the range of corporate governance policies and additional materials adopted as part of the Company's overall governance framework, including those noted in this Charter;

- (2) approving the Company's strategy, business plans, financial budgets, and operational policies and procedures;
- (3) ensuring compliance with the *Corporations Act 2001* (Cth), ASX Listing Rules (as appropriate) and all laws relevant to the Company's business activities;
- (4) determining the size and make-up of the Board of Directors, and the skills and qualities required to align with the Company's purpose, values, strategic objectives and business plans;
- (5) appointing, monitoring the performance of, and removing, the Chief Executive Officer and Company Secretary;
- (6) overseeing the appointment of appropriate staff, consultants and experts to assist in the Company's operations, including the specific ratification of the Chief Financial Officer and similar executive appointment(s);
- (7) with specific input from the Audit & Risk Management Committee, setting the Company's risk appetite and overseeing and monitoring its framework of control and accountability systems to enable all financial and non-financial risks to be assessed, monitored and managed;
- (8) with specific input from the Audit & Risk Management Committee, approving the Company's annual report, audited and audit-reviewed financial statements and any other published financial reporting, and the appointment of, and liaison with, the Company's external auditors;
- (9) approving the public announcements and communications published by the Company including project-related results, corporate developments and periodic activity updates (Quarterly Reports, etc);
- (10) overseeing the maintenance of communications and relations between the Company and third parties, including its shareholders and ASX;
- (11) implementing appropriate strategies to monitor and measure the performance of the Board in implementing its functions and powers;
- (12) with specific input from the People, Culture and Resources Committee, monitoring and guiding the Company's culture, reputation and standards of conduct, having regard to the range of policy documents noted in this Charter, specifically including the Company's Corporate Values Statement and its Code of Conduct and Business Ethics;
- (13) with specific input from the People, Culture and Resources Committee, structuring and monitoring Board-related remuneration, Executive management's performance and remuneration arrangements, oversight and approval of all material internal policies and procedures, and ensuring appropriate resources are made available for the pursuit of the Company's business strategy and plans;
- (14) approving and monitoring the progress of the Company's financial

- budgets, major capital expenditures, capital management processes, and business or project acquisitions and divestitures;
- (15) monitoring the financial and operational performance of the Company, including its regulatory and legal obligations;
  - (16) whenever required, challenging the Company's management and holding it to account;
  - (17) approving and reviewing succession plans for key members of the Board and Executive management, specifically the Chief Executive Officer;
  - (18) appointing and overseeing Board Committees where appropriate to assist in the above functions and powers.

### **Structure of the Board**

The structure of the Board is determined in accordance with the following principles:

- (1) to aim for, so far as is practicable given the size of the Company, a majority of the Board being independent Directors;
- (2) to aim for, so far as is practicable given the size of the Company, the appointment of a chairperson who is an independent Director, and who is not the Chief Executive Officer of the Company;
- (3) to aim for, so far as is practicable given the size of the Company, a Board comprising of members with diverse backgrounds; and
- (4) to have at least three (3) Directors.

In assessing the independence of Directors, the Board will have regard to Principle 2 of the Corporate Governance Principles and Recommendations as updated and re-published from time to time. The Company also has specific governance policies dealing with:

- (1) Assessing the Independence of Directors;
- (2) Conflicts of Interest;
- (3) Related Party Transactions.

Examples of interests, positions, affiliations or other relationships that may raise issues about the independence of a Director include if the Director:

- (1) is, or has been, employed in an executive capacity by the Company (or any related entities) and there has not been a period of at least three (3) years between ceasing such employment and serving on the Board;
- (2) receives performance-based remuneration (including options or performance rights) or participates in an employee incentive scheme;
- (3) is, or has been within the last three (3) years, in a material business relationship (eg. as a supplier, professional adviser, consultant or

- customer) to the Company (or any of its related entities) or is an officer of, or otherwise associated with, someone with such a relationship;
- (4) is, represents, or is otherwise affiliated with a substantial shareholder of the Company;
  - (5) has close personal ties with any person who falls within any of the categories described above; or
  - (6) has been a Director of the Company for such a period that their independence from Management and substantial holders may have been compromised.

### **Materiality Threshold – Independence**

The structure of the Board is determined in accordance with the following principles:

The Board employs a materiality threshold in judging whether customer, supplier, consultant or professional adviser relationships affect the independence of the Company's Directors.

As a broad approach, a relationship is presumed immaterial when it represents less than 5% of Company revenues or expenses, and presumed material when it represents more than 10% of Company revenues or expenses during a 12-month period, in the absence of evidence or convincing argument to the contrary. In considering such evidence or argument the Board takes into account the strategic value and other material but non-quantitative aspects of the relationship in question.

The threshold for the purpose of assessing the materiality of relationships between a Non- Executive Director and the Company (other than as a Director) is set according to the significance of that relationship to the Director in the context of their activities as a whole.

### **Directors' Interests**

At each meeting of the Board, Directors table any changes to their previously documented current outside interests. Where it is considered that a Director has a material potential conflict, it is noted and where appropriate the relevant director absents him or herself for that specific item of business. That decision is minuted.

The Company has adopted a specific Related Party Transactions Policy and a Conflict of Interest Policy which also form part of its Corporate Governance framework.

### **Tenure of Directors**

The Board has not adopted a tenure policy.

The mere fact that a Director has served on the Board for a substantial period of time may not – in itself – mean that he or she has become too close to management to be considered independent. However, as part of its assessment of independence, the Board will regularly assess the independence of any Director who has served as a Director of the Company for more than seven (7) years to determine whether they have been a Director for such a period that his or her independence has been lost. This assessment will involve, each year:

- (1) a periodic review of the Director's interests in line with existing Company policies;
- (2) a Board discussion about the Director's independence without the particular Director present.

## **2. THE CHAIRPERSON**

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The Chairperson is responsible for leadership of the Board, for efficient organisation and conduct of the Board's function and the briefing of all Directors in relation to issues arising at Board meetings. The Chairperson is also responsible for shareholder communication and arranging Board performance evaluation.

## **3. CHIEF EXECUTIVE OFFICER / MANAGING DIRECTOR**

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The Chief Executive Officer or Managing Director (if any) is responsible for running the affairs of the Company under delegated authority from the Board, and to implement the policies and strategies set by the Board.

In carrying out his/her responsibilities, the Chief Executive Officer or Managing Director must report to the Board in a timely manner and ensure all reports to the Board present a true and fair view of the Company's financial position and operating results.

The Chief Executive Officer or Managing Director (if any) (together with the Chief Financial Officer) shall be required to state in writing to the Board that the financial reports of the Company represent a true and fair view in all material respects, of the Company's financial conditions and operating results and are in accordance with relevant accounting standards.

## **4. COMPANY SECRETARY**

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The role of the Company Secretary is to support the effectiveness of the Board and the Committees. In carrying out his or her responsibilities, the Company Secretary is accountable directly to the Board in the performance of this role which includes, without limitation:

- (1) advising the Board and the Committees of governance matters;
- (2) monitoring compliance with Board and Committee policy and procedures;
- (3) coordinating the timely completion and despatch of Board and Committee papers;
- (4) ensuring that the business at Board and Committee meetings is accurately recorded in the minutes; and
- (5) helping to organise and facilitate the induction and professional development of Directors.

## **5. INTRODUCTION TO NEW DIRECTORS AND ONGOING DIRECTOR EDUCATION**

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On their first appointment, Directors will have the benefit of an induction program aimed at deepening their understanding of the Company, its activities and the business, environment and markets in which the Company operates. As part of the program Directors will receive a manual of essential Board and Company information and will be given briefings by Management.

As part of the induction process new Directors may complete a self-assessment of their capabilities and competencies to determine areas where further development will be beneficial in contributing to the Board's performance. Development in these areas will then be considered and discussed with the new Director by the Nomination Committee (if established) or the Chairperson.

The Company will provide an ongoing education and development program for Directors which includes both formal and informal sessions. The program is intended to cover overall competencies required of any Director and also specific knowledge relevant to the Company's business. It is desirable for all Directors to complete the Australian Institute of Company Directors Course (or equivalent) and related formal assessment.

Directors are also expected to keep themselves abreast of changes and trends in the Company's business, environment and markets and to keep abreast of changes and trends in the economic, political, social and legal climate generally. Directors are expected to have an appropriate base level



of understanding on accounting matters. Additional development and training in this area can be discussed with the Nomination Committee (if established) or the Chairperson by a Director. The Company will also provide briefings on developments in accounting standards.

**6. INDEPENDENT ADVICE**

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A Director may seek independent advice, including legal advice, where he or she believes it is necessary to properly discharge his or her duties as a Director. The Company will pay for the reasonable cost of this advice provided that the Director has obtained the prior approval of the Chairperson (including for the cost of the advice).

If the Chairperson wishes to seek independent advice and wishes for the Company to pay for the reasonable costs of that advice, the Chairperson must inform the other members of the Board in advance of seeking such advice.

**7. APPENDIX**

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Version	Last periodic review	Last update	Approver
1.0	December 2022	December 2022	Board