

# ANNUAL CORPORATE GOVERNANCE STATEMENT

**Name of entity:** Endless Solar Corporation Limited (the “Company”)

**ACN:** 122 708 061

**Reporting period:** 1 July 2021 to 30 June 2022, (the “Reporting Period”)

Principle No.	Recommendation	Compliance or Reason for Non-compliance
1.1	A listed entity should disclose: <ul style="list-style-type: none"> <li>(a) the respective roles and responsibilities of its board and management; and</li> <li>(b) those matters expressly reserved to the board and those delegated to management.</li> </ul>	<p><b>The Company does not comply in full with this Recommendation.</b></p> <p>The Company recognises that the overall responsibility of the board is to represent and advance shareholders' interests and to protect the interests of all stakeholders. Given the current size of the Company and of the board, and of the small scale of the Group's operations, the board is yet to adopt a formal board charter. Nonetheless, the Board will regularly review the need for a board charter, and adopt one as and when the need arises in the future.</p>
1.2	A listed entity should: <ul style="list-style-type: none"> <li>(a) undertake appropriate checks before appointing a person, or putting forward to security holders a candidate for election, as a director; and</li> <li>(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.</li> </ul>	<p><b>The Company complies in full with this Recommendation</b></p> <p>The entire board will carry out appropriate checks before appointing a person or putting forward to security holders a candidate for election, as a director. All material information in the board's possession will be set out in explanatory notes accompanying notices of general meetings where appointments of directors will be voted on by security holders.</p>
1.3	A listed entity should have a written agreement with each director and senior executive setting out the terms of their appointment.	<p><b>The Company complies in full with this Recommendation</b></p> <p>Each director is required to consent in writing to his/her appointment setting out the terms of his or her appointment. There are no executives in the Company.</p>
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.	<p><b>The Company complies in full with this Recommendation.</b></p> <p>The chair and each member of the board has full access to the company secretary (outsourced and independent). The company secretary is also authorized to communicate any issue or raise any concern directly with the chair</p>

and/or any member of the board as considered necessary.

1.5 A listed entity should:

- (a) have a diversity policy which includes requirements for the board or a relevant committee of the board to set measurable objectives for achieving gender diversity and to assess annually both the objectives and the entity's progress in achieving them;
- (b) disclose that policy or a summary of it; and
- (c) disclose as at the end of each reporting period the measurable objectives for achieving gender diversity set by the board or a relevant committee of the board in accordance with the entity's diversity policy,

and its progress towards achieving them and either:

- (1) the respective proportions of men and women on the board, in senior executive positions and across the whole organisation (including how the entity has defined "senior executive" for these purposes); or
- (2) 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.

1.6 A listed entity should:

- (a) have and disclose a process for periodically evaluating the performance of the board, its committees and individual directors; and
- (b) disclose, in relation to each reporting period, whether a performance evaluation was undertaken in the reporting period in accordance with that process.

**The Company does not comply in full with this Recommendation.**

The board supports workplace diversity, including gender diversity but considers that the Company is not of a size or maturity yet to fully adopt a formal diversity policy. The board's priority has been to ensure that its members have the appropriate level of experience and skills to manage the Company's operations.

**The Company does not comply in full with this Recommendation.**

The Company periodically evaluates the performance of the board and individual directors. This review will be done at the end of each financial year prior to its AGM.

- 1.7 A listed entity should:
- (a) have and disclose a process for periodically evaluating the performance of its senior executives; and
  - (b) disclose, in relation to each reporting period, whether a performance evaluation was undertaken in the reporting period in accordance with that process.
- 2.1 The board of a listed entity should:
- (a) have a nomination committee which:
    - (1) has at least three members, a majority of whom are independent directors; and
    - (2) is chaired by an independent director,
 and disclose:
    - (3) the charter of the committee;
    - (4) the members of the committee; and
    - (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
  - (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.
- 2.2 A listed entity should have and disclose a board skills matrix setting out the mix of skills

In relation to the Reporting Period, the Company is in the process of undertaking this review before its AGM.

**This Recommendation is not applicable to the Company.**

The Company does not have senior executive management at this small size of operations and therefore this Recommendation is not applicable.

**The Company does not comply in full with this Recommendation.**

The board considers that the Company is not currently of a size large enough to justify the formation of a nomination committee. The board as a whole undertakes the process of reviewing the skill base and experience of existing directors to enable identification or attributes required in new directors.

**The Company does not comply in full with this Recommendation.**

and diversity that the board currently has or is looking to achieve in its membership

The board's currently has the appropriate level of experience and skills to manage the Company. As the Company grows in scope and scale of operations, the board will re-assess its skills matrix and implement one that is appropriate for its size and complexity.

2.3 A listed entity should disclose:

- (a) the names of the directors considered by the board to be independent directors;
- (b) if a director has an interest, position, association 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, association or relationship in question and an explanation of why the board is of that opinion; and
- (c) the length of service of each director.

**The Company complies in full with this Recommendation.**

As of the date of this Corporate Governance Statement, the board comprises the following:

Mr. David H Craig  
Executive Chairman and Director  
Date first appointed: 16 November 2011  
Date last elected: 27 January 2022

Ms Cathy Lin  
Non-independent Non-executive Director  
Date first appointed: 20 August 2019  
Date last elected: 27 January 2022

Mr. Chris Baring-Gould  
Independent Non-executive Director  
Date first appointed: 20 July 2010  
Date last elected: 27 January 2022

Mr. Kevin Mooney  
Independent Non-executive Director  
Date first appointed: 27 May 2022  
Date last elected: N/A

2.4	A majority of the board of a listed entity should be independent directors.	<hr/> <p><b>The Company does not comply in full with this Recommendation.</b></p> <p>The board currently comprise of one executive director/chair, one non-independent non-executive director, and two independent non-executive directors.</p> <p>As the Company grows in scope and scale of operations, the board will assess whether there is a need to expand the board by inviting additional independent persons with the right skills sets to join the board.</p>
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.	<p><b>The Company does not comply in full with this Recommendation.</b></p> <p>Currently, the board chair is an executive role. When the Company reaches scale and size, the board will consider appointing a CEO.</p>
2.6	A listed entity should have a program for inducting new directors and provide appropriate professional development opportunities for directors to develop and maintain the skills and knowledge needed to perform their role as directors effectively.	<p><b>The Company does not comply in full with this Recommendation.</b></p> <p>Whilst the Company does not have a formal induction program, all board members have experience in the listed environment.</p> <p>Board members are aware of their personal responsibilities to develop and maintain the skills and knowledge needed to discharge their roles as directors effectively and, if so requested by a director, the Company will bear reasonable costs and expenses of any continuing education program or course which a director may request to attend.</p>

- 3.1 A listed entity should:
- (a) have a code of conduct for its directors, senior executives and employees; and
  - (b) disclose that code or a summary of it.

- 4.1 The board of a listed entity should:
- (a) have an audit committee which:
    - (1) has at least three members, all of whom are non- executive directors and a majority of whom are independent directors; and
    - (2) is chaired by an independent director, who is not the chair of the board,and disclose:
    - (3) the charter of the committee;
    - (4) the relevant qualifications and experience of the members of the committee; and
    - (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
  - (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

The board appoints as directors, people who have the necessary skills and knowledge to perform their roles and are aware of their personal responsibilities for their own education.

**The Company does not comply in full with this Recommendation.**

The Company has not formally adopted a Code of Conduct. However, every director, senior executive and employees is aware of his or her responsibility to at all times act ethically and comply with all laws and regulations in Australia.

**The Company does not comply in full with this Recommendation.**

The board considers that the Company is not of a size, nor is its financial affairs of such complexity, to justify the formation of an audit committee. The Company applies all mandatory accounting policies to its financial reporting which is audited. One non-executive board member is an experienced CFO and manages the audit process with the auditors.

The board maintains regular communication with the external auditor and monitors their performance on a yearly basis. Currently, the board considers the Company's financial affairs not to be of such complexity as to justify the rotation of the audit partner.

external auditor and the rotation of the audit engagement partner.

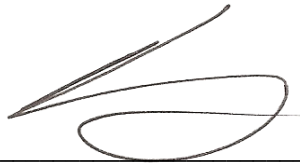
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| 4.2 | The board of a listed entity should, before it approves the entity's financial statements for a financial period, receive from its CEO and CFO a declaration that, in their opinion, the financial records of the entity have been properly maintained and that the financial statements comply with the appropriate accounting standards and give a true and fair view of the financial position and performance of the entity and that the opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively. | <b>The Company does not comply in full with this Recommendation.</b><br><br>The Company does not have a CEO or CFO as executives given its small size of operations. However, two non-executive directors are Certified/Chartered Accountants, and ensure that the financial statements are prepared in full compliance with accounting standards, and pass solvency tests.  |
| 4.3 | A 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.   | <b>The Company complies in full with this Recommendation.</b><br><br>It is Company's policy, and will make such a policy a term of the auditor's appointment, for the engagement partner or a personnel of sufficient seniority who was involved in the conduct of the audit to be present at the AGM be available to answer questions about the conduct of the audit and the preparation and content of the auditors' report.   |
| 5.1 | A listed entity should:<br><br>(a) have a written policy for complying with its continuous disclosure obligations under the Listing Rules; and<br><br>(b) disclose that policy or a summary of it.  | <b>The Company does not comply in full with this Recommendation.</b><br><br>The board considers that the Company is not currently of a size or that the Group's scale of operations is sufficiently large and complex to have a written policy for complying with its continuous disclosure obligations under the Listing Rules. Each director is aware of the Company's continuous disclosure obligations. The board will work closely with and will consult the Company's nominated adviser to ensure it fulfills its continuous disclosure obligations. |
| 6.1 | A listed entity should provide information about itself and its governance to investors via its website.  | <b>The Company complies in full with this Recommendation.</b><br><br>The Company maintains a corporate website (URL: <a href="https://www.endless-solar.com.au">https://www.endless-solar.com.au</a> ). The website contains information about the Company and its operating subsidiaries. An updated Corporate Governance Statement will also be published on the website.  |

6.2	A listed entity should design and implement an investor relations program to facilitate effective two-way communication with investors.	<p><b>The Company does not comply in full with this Recommendation.</b></p> <p>The board chair is the key liaison person in the investor relations role. When the Company is of sufficient size and scale, this investor relations function will be formalised.</p>
6.3	A listed entity should disclose the policies and processes it has in place to facilitate and encourage participation at meetings of security holders.	<p><b>The Company does not comply in full with this Recommendation.</b></p> <p>The Company has not put in place any policy and processes to facilitate and encourage participation at meetings of security holders. However, the Company allows unrestricted reasonable discussions and dialogue with and receive feedback from security holders during the Company's general meetings.</p>
6.4	A listed entity should give security holders the option to receive communications from, and send communications to, the entity and its security registry electronically.	<p><b>The Company complies in full with this Recommendation.</b></p> <p>The Company's security registry has in place and has implemented a system where security holders are given the option to receive communications from, and send communications to, the entity and its security registry electronically.</p>
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> <ul style="list-style-type: none"> <li>(1) has at least three members, a majority of whom are independent directors; and</li> <li>(2) is chaired by an independent director,</li> </ul> <p>and disclose:</p> <ul style="list-style-type: none"> <li>(3) the charter of the committee;</li> <li>(4) the members of the committee; and</li> <li>(5) as at the end of each reporting period, the number of times the</li> </ul>	<p><b>The Company does not comply in full with this Recommendation.</b></p> <p>The board considers that the Company is not of a size, nor is its operations of such complexity, to justify the formation of a risk management committee. The board as a whole will oversee the risk management for the Company taking into account key material risks faced by the Company as identified by the board and how these risks or, if the risks materialises, its possible impact can be minimised.</p> <p>The board will ensure that risk management is included on the agenda of meetings of the board.</p>



	committee met throughout the period and the individual attendances of the members at those meetings; or	
	(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.	
7.2	The board or a committee of the board should:	<b>The Company complies in full with this Recommendation.</b>
	(a) review the entity's risk management framework at least annually to satisfy itself that it continues to be sound; and	The board will review the entity's risk management framework at least annually to satisfy itself that it continues to be sound. For the Reporting Period, this review will occur before the AGM.
	(b) disclose, in relation to each reporting period, whether such a review has taken place.	
7.3	A listed entity should disclose:	<b>The Company does not comply in full with this Recommendation.</b>
	(a) if it has an internal audit function, how the function is structured and what role it performs; or	The Company does not have an internal audit function.
	(b) if it does not have an internal audit function, that fact and the processes it employs for evaluating and continually improving the effectiveness of its risk management and internal control processes.	The primary responsibility for risk management and internal controls on a day-to-day basis at the operations level vests with the executive chair, who is also the key shareholder. The board will ensure that risk management is included on the agenda of meetings of the board for discussion.
7.4	A listed entity should disclose whether it has any material exposure to economic, environmental and social sustainability risks and, if it does, how it manages or intends to manage those risks.	<b>The Company complies in full with this Recommendation.</b>
		Material risks which the Company is exposed to and how it manages or intend to manage these risks are disclosed in this information memorandum. The board will continue to monitor the Company's exposure to these risks (or for any other risks the Company may become expose to in the future) and disclose them in the Company's annual report.
8.1	The board of a listed entity should:	<b>The Company does not comply in full with this Recommendation.</b>
	(a) have a remuneration committee which:	The board considers that the Company is not of a size to justify the formation of a remuneration committee. The board as a

<p>(1) has at least three members, a majority of whom are independent directors; and</p> <p>(2) is chaired by an independent director,</p> <p>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>whole will perform the function of the remuneration committee.</p> <p>The board will seek shareholders' approval at general meetings before paying any directors' fees.</p> <p>There are no executives in the Company that require remuneration.</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>8.2 A listed entity should separately disclose its policies and practices regarding the remuneration of non-executive directors and the remuneration of executive directors and other senior executives.</p>	<p><b>The Company does not comply in full with this Recommendation.</b></p> <p>The Company does not have a formal policy regarding the remuneration of non-executive directors and the remuneration of executive directors. However, any remuneration is subject to approval by shareholders at AGMs, and fully disclosed in its annual audited financial statements.</p>
<p>8.3 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><b>The Company does not comply in full with this Recommendation.</b></p> <p>The Company does not have a formal policy regarding equity-based remuneration. However, where the Company's profitability enables equity remuneration to be issued, these are approved by shareholders at its AGM.</p>



**Signed:** \_\_\_\_\_

**Name:**           **David H. A. Craig**

**Date:**           **7<sup>th</sup> October 2022**

**Director, for and on behalf of ENDLESS SOLAR CORPORATION LIMITED**