

# Appendix 4G

## Key to Disclosures

### Corporate Governance Council Principles and Recommendations

Name of entity

Synertec Corporation Limited
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ABN/ARBN

ARBN 161 803 032
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Financial year ended:

30 JUNE 2022
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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://www.synertec.com.au/about-us/investor-relations/?typeld=2>

The Corporate Governance Statement is accurate and up to date as at 20 September 2022 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: 20 September 2022

Name of authorised officer  
authorising lodgement:                      David Harris

<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://www.synertec.com.au/about-us/investor-relations/?typed=2">https://www.synertec.com.au/about-us/investor-relations/?typed=2</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://www.synertec.com.au/about-us/investor-relations/?typeld=2">https://www.synertec.com.au/about-us/investor-relations/?typeld=2</a>  and we have disclosed the information referred to in paragraph (c) at:  <a href="https://www.synertec.com.au/about-us/investor-relations/?typeld=2">https://www.synertec.com.au/about-us/investor-relations/?typeld=2</a>  in the corporate governance statement  and if we were included in the S&amp;P / ASX 300 Index at the commencement of the reporting period our measurable objective for achieving gender diversity in the composition of its board of not less than 30% of its directors of each gender within a specified period.</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:  <a href="https://www.synertec.com.au/about-us/investor-relations/?typeld=2">https://www.synertec.com.au/about-us/investor-relations/?typeld=2</a>  in the corporate governance statement  and whether a performance evaluation was undertaken for the reporting period in accordance with that process at:  <a href="https://www.synertec.com.au/about-us/investor-relations/?typeld=2">https://www.synertec.com.au/about-us/investor-relations/?typeld=2</a>  in the 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:  <a href="https://www.synertec.com.au/about-us/investor-relations/?typeld=2">https://www.synertec.com.au/about-us/investor-relations/?typeld=2</a>                      in the corporate governance statement</p> <p>and whether a performance evaluation was undertaken for the reporting period in accordance with that process at:  <a href="https://www.synertec.com.au/about-us/investor-relations/?typeld=2">https://www.synertec.com.au/about-us/investor-relations/?typeld=2</a>                      in the 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>

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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"/></p> <p><i>[If the entity complies with paragraph (a):]</i></p> <p>and we have disclosed a copy of the charter of the committee at: <a href="https://www.synertec.com.au/about-us/investor-relations/?typeld=2">https://www.synertec.com.au/about-us/investor-relations/?typeld=2</a> and the information referred to in paragraphs (4) and (5) at: <a href="https://www.synertec.com.au/about-us/investor-relations/?typeld=2">https://www.synertec.com.au/about-us/investor-relations/?typeld=2</a> in the corporate governance statement and in the 2022 Annual Report</p> <p><i>[If the entity complies with paragraph (b):]</i></p> <p>and we have disclosed the fact that we do not have a nomination committee and the processes we employ 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 at:</p> <p>.....</p> <p><i>[insert location]</i></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"/></p> <p>and we have disclosed our board skills matrix at: <a href="https://www.synertec.com.au/about-us/investor-relations/?typeld=2">https://www.synertec.com.au/about-us/investor-relations/?typeld=2</a> in the 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

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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, 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 (c) the length of service of each director.	<input checked="" type="checkbox"/> and we have disclosed the names of the directors considered by the board to be independent directors at: <a href="https://www.synertec.com.au/about-us/investor-relations/?typeld=2">https://www.synertec.com.au/about-us/investor-relations/?typeld=2</a> in the corporate governance statement and, where applicable, the information referred to in paragraph (b) at: <a href="https://www.synertec.com.au/about-us/investor-relations/?typeld=2">https://www.synertec.com.au/about-us/investor-relations/?typeld=2</a> in the corporate governance statement and the length of service of each director at: <a href="https://www.synertec.com.au/about-us/investor-relations/?typeld=2">https://www.synertec.com.au/about-us/investor-relations/?typeld=2</a> in the corporate governance statement	<input type="checkbox"/> set out in our Corporate Governance Statement
2.4	A majority of the board of a listed entity should be independent directors.	<input type="checkbox"/>	<input checked="" 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

## Key to Disclosures Corporate Governance Council Principles and Recommendations

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<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 type="checkbox"/> and we have disclosed our values at: ..... [insert location]	<input checked="" 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://www.synertec.com.au/about-us/investor-relations/?typeld=2">https://www.synertec.com.au/about-us/investor-relations/?typeld=2</a> in the corporate governance statement	<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://www.synertec.com.au/about-us/investor-relations/?typeld=2">https://www.synertec.com.au/about-us/investor-relations/?typeld=2</a> in the corporate governance statement	<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 type="checkbox"/>	<input checked="" type="checkbox"/> set out in our Corporate Governance Statement

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<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><i>[If the entity complies with paragraph (a):]</i></p> <p>and we have disclosed a copy of the charter of the committee at: <a href="https://www.synertec.com.au/about-us/investor-relations/?typeld=2">https://www.synertec.com.au/about-us/investor-relations/?typeld=2</a> and the information referred to in paragraphs (4) and (5) at: <a href="https://www.synertec.com.au/about-us/investor-relations/?typeld=2">https://www.synertec.com.au/about-us/investor-relations/?typeld=2</a> in the corporate governance statement and in the 2022 Annual Report.</p> <p><i>[If the entity complies with paragraph (b):]</i></p> <p>and we have disclosed the fact that we do not have an audit committee and the processes we employ that independently verify and safeguard the integrity of our corporate reporting, including the processes for the appointment and removal of the external auditor and the rotation of the audit engagement partner at:</p> <p>.....</p> <p><i>[insert location]</i></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

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<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://www.synertec.com.au/about-us/investor-relations/?typeld=2">https://www.synertec.com.au/about-us/investor-relations/?typeld=2</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://www.synertec.com.au">https://www.synertec.com.au</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: <a href="https://www.synertec.com.au/about-us/investor-relations/?typeld=2">https://www.synertec.com.au/about-us/investor-relations/?typeld=2</a> in the 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

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<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"/></p> <p><i>[If the entity complies with paragraph (a):]</i></p> <p>and we have disclosed a copy of the charter of the committee at: <a href="https://www.synertec.com.au/about-us/investor-relations/?typed=2">https://www.synertec.com.au/about-us/investor-relations/?typed=2</a> and the information referred to in paragraphs (4) and (5) at: <a href="https://www.synertec.com.au/about-us/investor-relations/?typed=2">https://www.synertec.com.au/about-us/investor-relations/?typed=2</a> in the corporate governance statement and in the 2022 Annual Report</p> <p><i>[If the entity complies with paragraph (b):]</i></p> <p>and we have disclosed the fact that we do not have a risk committee or committees that satisfy (a) and the processes we employ for overseeing our risk management framework at:</p> <p>.....</p> <p><i>[insert location]</i></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"/></p> <p>and we have disclosed whether a review of the entity's risk management framework was undertaken during the reporting period at: <a href="https://www.synertec.com.au/about-us/investor-relations/?typed=2">https://www.synertec.com.au/about-us/investor-relations/?typed=2</a> in the 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 NOT followed the recommendation in full for the whole of the period above. Our reasons for not doing so are: <sup>5</sup>
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"/></p> <p><i>[If the entity complies with paragraph (a):]</i></p> <p>and we have disclosed how our internal audit function is structured and what role it performs at:</p> <p>.....</p> <p><i>[insert location]</i></p> <p><i>[If the entity complies with paragraph (b):]</i></p> <p>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:</p> <p><a href="https://www.synertec.com.au/about-us/investor-relations/?typeld=2">https://www.synertec.com.au/about-us/investor-relations/?typeld=2</a> in the corporate governance statement</p>	<p><input type="checkbox"/> set out in our Corporate Governance Statement</p>
7.4	<p>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.</p>	<p><input checked="" type="checkbox"/></p> <p>and we have disclosed whether we have any material exposure to environmental and social risks at:</p> <p><a href="https://www.synertec.com.au/about-us/investor-relations/?typeld=2">https://www.synertec.com.au/about-us/investor-relations/?typeld=2</a> in the corporate governance statement and in the 2022 Annual Report</p> <p>and, if we do, how we manage or intend to manage those risks at:</p> <p><a href="https://www.synertec.com.au/about-us/investor-relations/?typeld=3">https://www.synertec.com.au/about-us/investor-relations/?typeld=3</a></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 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 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"/></p> <p><i>[If the entity complies with paragraph (a):]</i></p> <p>and we have disclosed a copy of the charter of the committee at: <a href="https://www.synertec.com.au/about-us/investor-relations/?typed=2">https://www.synertec.com.au/about-us/investor-relations/?typed=2</a> and the information referred to in paragraphs (4) and (5) at: <a href="https://www.synertec.com.au/about-us/investor-relations/?typed=2">https://www.synertec.com.au/about-us/investor-relations/?typed=2</a> in the corporate governance statement</p> <p><i>[If the entity complies with paragraph (b):]</i></p> <p>and we have disclosed the fact that we do not have a remuneration committee and the processes we employ 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>.....</p> <p><i>[insert location]</i></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"/></p> <p>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:</p> <p><a href="https://www.synertec.com.au/about-us/investor-relations/?typed=2">https://www.synertec.com.au/about-us/investor-relations/?typed=2</a> in the 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>
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"/></p> <p>and we have disclosed our policy on this issue or a summary of it at: <a href="https://www.synertec.com.au/about-us/investor-relations/?typed=2">https://www.synertec.com.au/about-us/investor-relations/?typed=2</a> in the corporate governance statement</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 checked="" 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 checked="" 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 checked="" 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

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-	<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>



# Synertec Corporation Limited

ARBN 161 803 032

## Corporate Governance Statement

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The Board of Synertec Corporation Limited (the **Company** or the **Group**) is responsible for the overall corporate governance of the Company. The Board believes that good corporate governance helps ensure the future success of the Company, adds value to stakeholders and enhances investor confidence.

The ASX Listing Rules require listed companies to prepare a statement disclosing the extent to which they have complied with the recommendations of the ASX Corporate Governance Council (**Recommendations**) during the reporting period. The Recommendations are not prescriptive, such that if a company considers a recommendation to be inappropriate having regard to its own circumstances, it has the flexibility not to follow it. Where a company has not followed all the Recommendations, it must identify which Recommendations have not been followed and provide reasons for not following them.

This Corporate Governance Statement (**Statement**) discloses the extent to which the Company has followed the Recommendations, or where appropriate, indicates a departure from the Recommendations with an explanation. This Statement should be read in conjunction with the material on our website <https://www.synertec.com.au/>, including the 2022 Annual Report and all Company's policies contained herein.

This Statement is current as at 20 September 2022 and has been approved by the Board of Directors of Synertec Corporation Limited.

### PRINCIPLE 1 – LAY SOLID FOUNDATIONS FOR MANAGEMENT AND OVERSIGHT

#### Recommendation 1.1 Role and Responsibilities of the Board and Management

The role of the Board of Synertec Corporation Limited is as follows:

- Representing and serving the interests of shareholders by overseeing and appraising the strategies, policies and performance of the Company. This includes overseeing the financial and human resources the Company has in place to meet its objectives and the review of management performance;
- Protecting and optimising Company performance and building sustainable value for shareholders in accordance with any duties and obligations imposed on the Board by law and the Company's constitution and within a framework of prudent and effective controls that enable risks to be assessed and managed;
- Responsible for the overall Corporate Governance of Synertec Corporation Limited and its controlled entities, including monitoring the strategic direction of the Company and those entities, formulating goals for management and monitoring the achievement of those goals;
- Setting, reviewing and ensuring compliance with the Company's values (including the establishment and observance of high ethical standards); and
- Ensuring shareholders are kept informed of the Company's performance and major developments affecting its state of affairs.



Responsibilities and functions of the Board include:

- selecting, appointing and evaluating from time to time the performance of, determining the remuneration of, and planning for the successor of, a Chief Executive officer;
- reviewing procedures in place for appointment of senior management and monitoring of its performance, and for succession planning;
- input into and final approval of management development of corporate strategies, including setting performance objectives and approving operating budgets;
- reviewing and guiding systems of risk management and internal control and ethical and legal compliance. This includes reviewing procedures in place to identify the main risks associated with the Company's businesses and the implementation of appropriate systems to manage these risks;
- monitoring corporate performance and implementation of strategies and policies;
- approving major capital expenditures, acquisitions and divestitures, and monitoring capital management;
- monitoring and reviewing management processes in place aimed at ensuring the integrity of financial and other reporting;
- monitoring and reviewing policies and processes in place relating to occupational health and safety, compliance with laws, and the maintenance of high ethical standards; and
- performing such other functions as are prescribed by law or are assigned to the Board.

In carrying out its responsibilities and functions, the Board may delegate any of its powers to a Board Committee, a Director, employee or other person subject to ultimate responsibility of the Directors under the Australian Corporations Act 2001 (Cth).

Matters which are specifically reserved for the Board or its committees include the following:

- appointment of a Chair;
- appointment and removal of the CEO, CFO and Company Secretary;
- appointment of Directors to fill a vacancy or as additional Director;
- establishment of Board committees, their membership and delegated authorities;
- approval of dividends;
- development and review of corporate governance principles and policies;
- approval of major capital expenditures, acquisitions and divestitures in excess of authority levels delegated to management;
- calling of meetings of shareholders; and
- any other specific matters nominated by the Board from time to time.

The Board is responsible for the overall corporate governance of the Company and its subsidiaries including ensuring the integrity of internal control and management information systems. It is also responsible for approving and monitoring financial and other reporting.

The Board has adopted a Board charter that formalises its roles and responsibilities and defines the matters that are reserved for the Board and specific matters that are delegated to management.

The Board charter which may be viewed and downloaded from the Company's website.



### **Recommendation 1.2 Appointment of Directors**

The Company undertakes appropriate checks before appointing or putting-forward to shareholders a candidate for election, as a Director. These include checks on the character, experience, education, criminal record and bankruptcy history.

The Company provides shareholders with all material information in its possession relevant to a decision on whether or not to elect or re-elect a Director. Directors' details are included in the notice of meeting at which the election of the Director is to be held, Company website and within the Annual Report.

Directors are required to provide consent for the Company to perform such checks. Directors are required to provide details of other commitments and an indication of time involved, and specifically acknowledge that they have sufficient time to fulfill their duties as a Director of the Company.

### **Recommendation 1.3 Appointment Terms**

On appointment of a Director, the Company issues a letter of appointment setting out the terms and conditions of appointment to the Board.

On appointment of a senior Executive, the Company issues an employment agreement which addresses the role and responsibilities of individual.

The Board has adopted a Delegations of Authority that sets limits of authority for Executives and officers.

### **Recommendation 1.4 Company Secretary**

The Board is supported by the Company Secretary, whose role includes supporting the Board on governance matters, assisting the Board with meetings and directors' duties, and acting as an interface between the Board and senior executives across the Group. The Board and individual Directors have access to the Company Secretary.

Under the Company's governance framework, the Company Secretary is accountable to the Board, through the Chair, on all matters regarding the proper functioning of the Board. The Board is responsible for the appointment of the Company Secretary.

Details regarding our Company Secretary, including experience and qualifications, is set out in the Directors' Report in our 2022 Annual Report.

### **Recommendation 1.5 Diversity Policy**

At the core of Synertec Corporation Limited's diversity policy is a commitment to equality and respect. The Company is committed to providing an inclusive workplace and recognises the value of individuals with diverse skills, values, backgrounds and experiences will bring to the Company. Diversity is recognising and valuing the unique contribution people can make because of their individual background and different skills, experiences and perspectives. People differ not just on the basis of race and gender, but also other dimensions such as lifestyle, education, physical ability, age, sexual orientation and family responsibility.

The Board has undertaken a review of the mix of skills and experience on the Board in light of the Company's principal activities and direction, and has considered diversity in succession planning. The Board considers the current mix of skills and experience of members of the Board and its Executive officers is sufficient to meet the requirements of the Company. The Company will establish measureable objectives for achieving gender diversity when it has grown to a point where it is appropriate to do so.

The proportion of women on the Board, in senior executive positions and women across the entire organisation as at 30 June 2022 was as follows:

- Women on the Board - 25%
- Women in senior management/executive positions - 38%
- Women across the entire organisation - 33%



Senior management/executives are defined as roles supporting the Managing Director with running the business and delivering on strategic objectives.

A Diversity policy may be viewed and downloaded from the Company's website.

### **Recommendation 1.6 Board, Committees and Individual Directors Performance Assessment**

Evaluation of the performance of the Board, and its committees is required under the Board Charter and the charter of the Remuneration and Nomination Committee. This includes supporting ongoing education of Directors for the benefit of the Company.

The Chairperson is responsible for ensuring regular reviews of the Board, its committees and individual members. The process for which includes formal and informal interviews, the goals of which are to identify improvements to Board processes and procedures.

The Company undertook an internal Board, Committee and individual Director's performance assessment during the period under review in accordance with the above process.

### **Recommendation 1.7 Senior Executive Performance Assessment**

Evaluation of the performance of the senior Executives is required under the Board Charter and the charter of the Remuneration and Nomination Committee. This includes supporting ongoing education of Executives for the benefit of the Company.

The performance of Executives is reviewed annually by the Board. The process for evaluating the performance of Executives is for the Board to measure performance against objective benchmarks including operational or financial milestones.

Performance evaluations were undertaken during the reporting period by the Company in accordance with the process.

## **PRINCIPLE 2 – BOARD STRUCTURE**

### **Recommendation 2.1 Nomination Committee**

The Remuneration and Nomination Committee consist of the three Directors of the Board, two of whom are independent. The Committee is chaired by an independent Director.

During the financial year 2022, the Committee was comprised of:

#### Name

Dennis Lin	Non-Executive Director & Chairperson
Leeanne Bond	Non-Executive Director
Michael Carroll	Managing Director

Where a vacancy exists, members of the Remuneration and Nomination Committee will recommend suitable candidates after having undertaken a review of the necessary and desirable competencies of the candidate and then recommends to the Board as a whole. The Chairperson of the Board will then make the necessary approach to any potential candidates. The skills and experience of the Directors allow the Board to act in the best interests of shareholders. Details of meetings held by the Committee during the year and member attendance are set out in the 2022 Directors' Report.

The charter of the Remuneration and Nomination Committee which may be viewed and downloaded from the Company's website.

### **Recommendation 2.2 Board Skills Matrix**

The Board has procedures in place to review and assess the skills and competencies of its members. During the period under review, the Board members' skill matrix includes both management and technical

skill sets, which the Board considers sufficient to meet the present requirements of the Company. The Company will review the skills matrix at appropriate junctures.

An appropriate mix of director skills and diversity is required to oversee the Company's strategic direction, opportunities, and challenges at all stages of its development. When considering the appointment of new directors, the Board seeks to recruit individuals with complementary skills, professional qualifications, and experience. In support of this, the Board applies a skills assessment to guide its succession planning and director recruitment agenda.

When determining the appropriate mix of skills and diversity amongst directors, the Board considers Synertec's strategic objectives and long-term shareholder wealth drivers. The following strategy statements summarise the current direction of the business and influence the skills and experience required at Board level to oversee its implementation.

- To be a diversified technology design and development growth company enabling a low carbon future through innovative technology solutions through:
  - commercialisation of scalable, environmentally friendly and energy efficient technology for global markets in energy, critical infrastructure and advanced manufacturing
  - innovative partnerships with a portfolio of blue-chip customers.
- Synertec is proactively participating in the world's transition to a low carbon economy in a practical way for the benefit of future generations.
- Synertec is creating wealth for shareholders through delivery of innovative engineered technology solutions and projects in key markets throughout the world.

These strategy statements imply a requirement for skills at the Board level particularly in the areas of health and safety, business strategy, finance and capital markets, engineering, international experience, project management, and business development oversight.

The skills and experience mix of the four current directors is summarised in the following table. The Board considers that those fields where fewer than two directors bring relevant skills and experience would necessitate external support to the Board from individuals or groups on a contractual basis. As the Company's projects move beyond 'development' stage into the 'growth' stage, the Board will continue to review its skills to consider those additional skills and experience that is required to oversee those activities.

**Table - Summary of Board Skills Matrix**





Skills and Experience	Description
<b><i>Technology and innovation</i></b>	Professional qualifications / experience in the research, development, and implementation of energy and/or processing technologies.
<b><i>International experience</i></b>	Directors that have worked in regions and countries where Synertec is currently looking to invest, develop, and operate.
<b><i>Engineering, construction, and execution</i></b>	Practical experience with engineering design and project execution in an Executive or senior manager capacity.
<b><i>Project management</i></b>	Individuals that carry relevant experience in project manager or Executive director roles across large scale projects.
<b><i>Finance &amp; capital markets</i></b>	Those directors that carry professional qualifications in finance disciplines, exhibit a high level of financial acumen, and/or carry direct experience in capital market transactions.
<b><i>Audit and accounting</i></b>	Professional qualifications in accounting and risk management, or those directors with experience in audit chair, CFO, auditor or other senior financial manager positions.
<b><i>Risk management</i></b>	Prior exposure to risk management duties in a managerial or Executive capacity and/or professional risk management qualifications.
<b><i>Legal and regulatory</i></b>	Professional qualifications in legal practice, regulatory approvals, and/or prior experience in corporate legal matters or regulator /industry relations in an Executive or senior manager capacity.
<b><i>Contracts and negotiation</i></b>	Practical and relevant experience in contracts, bids, and commercial negotiations.
<b><i>Marketing and business development</i></b>	Previous experience in a senior manager or Executive director capacity supervising or directing corporate marketing or business planning and development initiatives, including key client relationship management responsibilities.
<b><i>Business strategy</i></b>	Directors that have extensive experience in Executive strategy positions, including previous managing director, chief Executive, and/or strategic senior manager roles.
<b><i>Mergers and acquisitions</i></b>	Directors that have participated in major corporate transactions, including the acquisition or sale of projects, corporate takeovers, and/or the acquisition of interests in energy producing assets.
<b><i>Corporate governance</i></b>	Directors that are current or former Board members of other publicly listed companies, with emphasis on individuals that currently or formerly chair an audit or remuneration sub-committee. Private company, not-for-profit and government sector Boards are also considered.
<b><i>Environmental and sustainability</i></b>	Professional training or prior experience managing public company environmental and social responsibility risks.

**Board renewal**



The Board has reviewed its need for renewal and succession planning considering the Company's direction, strategy, and challenges. As Synertec continues to transition from 'development stage', where skills in technology and project development are paramount, to a 'growth period' involving the execution of larger and riskier projects across various market sectors, the Board considers that the composition of the Board reflects the necessary skills to facilitate this transition.

- The Board is currently comprised of four directors, half of which are NED's, both of whom are classified as independent.
- With Synertec's focus on Australian, Asian and other international markets, the Board make-up is Australian and Asian-based, and strengthens the Board's skills and experience in energy, infrastructure, pharmaceutical, finance, contract negotiation and regulatory matters having direct knowledge of the engineering, energy, infrastructure and/or pharmaceutical markets in Australia and Asia.

### **Recommendation 2.3 Directors Independence**

Board composition is guided by the following principles:

- a minimum of three Directors, with a broad range of business expertise;
- at least 50% being non-Executive Directors;
- at least 50% being independent Directors;
- an independent non-Executive Director as Chairperson of the Board; and
- the same individual should not exercise the roles of Chair and Chief Executive Officer.

The Company's constitution governs the regulation of meetings and proceedings of the Board. The Board determines its size and composition, subject to the terms of the constitution.

In accordance with the definition of independence below, and the materiality thresholds set, the Board's assessment of each current Director is set out below:

<b>Name</b>	<b>Position</b>	<b>Appointment date</b>	<b>Status</b>
Dennis Lin	Non-Executive Chair	27 August 2019	Independent
Michael Carroll	Managing Director	8 August 2017	Non-Independent
David Harris	Executive Director/CFO/Company Secretary	1 April 2021	Non-Independent
Leeanne Bond	Non-Executive Director	8 August 2017	Independent

Michael Carroll and David Harris are considered by the Board not to be independent as Michael Carroll is employed in an executive capacity and is a major shareholder of the Company, and David Harris is employed in an executive capacity by the Company.

An Independent Director is a Director who is not a member of management (a Non-Executive Director) and who:

- holds less than five per cent of the voting shares of the Company and is not an officer of, or otherwise associated, directly or indirectly, with a shareholder of more than five per cent of the voting shares of the Company;
- has not within the last three years been employed in an Executive capacity by the Company or another group member, or been a Director after ceasing to hold any such employment within the last three years has not been a principal or employee of a material\* professional adviser or a material\* consultant to the Company or another group member;
- is not a material\* supplier or customer of the Company or another group member, or an officer of or otherwise associated, directly or indirectly, with a material\* supplier or customer;
- has no material\* contractual relationship with the Company or another group member other than as a Director of the Company; and
- is free from any interest and any business or other relationship which could, or could reasonably be perceived to, materially\* interfere with the Director's ability to act in the best interests of the Company.

\* the Board considers, 'material', in this context, to be where any Director related business relationship has represented, or is likely in future to represent the lesser of at least 10% per cent of the relevant segment's or the Director related business' revenue. The Board considered the nature of the relevant industries' competition and the size and nature of each Director-related business relationship, in arriving at this threshold.



The Board only considers Directors to be independent where they are independent of management and free of any business or other relationship that could materially interfere with or could reasonably be perceived to interfere with the exercise of their unfettered and independent judgment. The Board regularly reviews the independence of each Director in light of interests disclosed to the Board from time to time.

The Board does not believe that it should establish a limit on tenure for a Director other than stipulated in the Company's constitution. While tenure limits can help to ensure that there are fresh ideas and viewpoints available to the Board, they hold the disadvantage of losing the contribution of Directors who have been able to develop, over a period of time, increasing insight into the Company and its operations and, therefore, an increasing contribution to the Board as a whole.

#### **Recommendation 2.4 Majority of Independent Directors**

In accordance with the definition of independence above, and the materiality thresholds set, at least half of Directors of the Company are considered to be independent.

#### **Recommendation 2.5 Chairperson of the Board**

Dennis Lin is the Non-Executive Chairperson of the Board, and he is independent.

The roles of Chair and Managing Director are exercised by different individuals, being Dennis Lin and Michael Carroll.

#### **Recommendation 2.6 Induction, Education and Training**

The Company has a program for inducting new Directors. This induction covers all aspects of the Company's business, financial, corporate strategy, the rights and duties of a Director and the roles and operation of the Board Committees.

Directors are encouraged to attend Director training and professional development courses, as may be required to enable them to develop and maintain the skills and knowledge needed to perform their role as Directors effectively. There are procedures in place, agreed by the Board, to enable Directors in furtherance of their duties to seek independent professional advice at the Company's expense.

### **PRINCIPLE 3 – ACT ETHICALLY AND RESPONSIBLY**

#### **Recommendation 3.1 Statement of Values**

Synertec's values are the guiding principles and norms that define what type of organisation it aspires to be and what it requires from its directors. The Company's values and statement of values are disclosed on the Company's website. Any material breach of the Company's policies, including a breach of the Code of Conduct, is raised, and reviewed at each Board meeting.

Synertec's Executive Team are responsible for instilling these values across the organisation.

#### **Recommendation 3.2 Code of Conduct**

The Board recognises the need to observe the highest standards of corporate practice and business conduct. Accordingly, the Board has adopted a Code of Conduct designed to:

- provide a framework for decisions and actions in relation to ethical conduct in employment;
- support the Company's business reputation and corporate image; and
- make Directors' and employees aware of the consequences if they breach the Code of Conduct.

The Code of Conduct may be viewed and downloaded from the Company's website.

The key aspects of this code are to:

- act fairly with honesty and integrity in the best interests of the Company and in the reasonable expectations of shareholders;



- act in accordance with all applicable laws, regulations, and the Company policies and procedures; and
- act in an appropriate business-like manner when representing the Company in public forums.

The Code of Conduct sets out the Company's policies on various matters including ethical conduct, business conduct, compliance, privacy and security of information.

### **Recommendation 3.3 Whistleblower Policy**

The Whistleblower Policy demonstrates that the Company is committed to the highest standards of conduct and ethical behaviour in all its business activities. The Company supports a culture of honest and ethical behaviour in ensuring good corporate compliance and governance. The policy sets out, amongst other things, instances of suspected misconduct which can be reported to the internal and external parties and summarises the protections offered to whistleblowers.

The Company's policy is disclosed on the Company's website. Any material breach of the Company's policies, including any breach of the Whistleblower Policy, is raised, and reviewed at each Board Meeting.

### **Recommendation 3.4 Anti-bribery and Corruption Policy**

The Anti-Bribery and Corruption Policy demonstrates that the Company is committed maintain high standards of integrity and accountability in conducting its business. The policy provides a framework of guidelines and principles to encourage ethical behaviour in the conduct of business.

The Company's policy is currently under review and is expected to be finalised during H1 FY23. Once finalised it will be disclosed on the Company's website. Any material breach of the Company's policies, including any breach of the Anti-Bribery and Corruption Policy, is raised at the Audit and Risk Committee level, with the latter reporting on them at the next Board meeting.

## **PRINCIPLE 4 – SAFEGUARD INTEGRITY IN CORPORATE REPORTING**

### **Recommendation 4.1 Audit Committee**

The Board has an Audit and Risk Management Committee which advises the Board on the establishment and maintenance of a framework of internal control, risk management and appropriate governance standards for the management of the Company.

The Audit and Risk Management Committee consist of the three Directors of the Board, two of whom are independent. The Committee is chaired by an independent Director.

During the financial year 2022, the Committee was comprised of:

Leeanne Bond  
Dennis Lin  
David Harris

Non-Executive Director & Chairperson  
Non-Executive Director  
Executive Director



The Audit and Risk Management Committee was established to advise the Board on the establishment and maintenance of a framework of internal control, risk management and appropriate governance standards for the risk management of the Company. In the opinion of the Board, the chair of the Committee is suitably qualified for the position. Details of meetings held by the Committee during the year and member attendance are set out in the 2022 Directors' Report.

The external auditor may be invited to attend meetings of the Audit and Risk Management Committee at the discretion of the committee. An assessment of the performance of the external auditor is conducted on an annual basis.

The charter and the relevant qualifications and experience of the members of the Audit and Risk Management Committee may be viewed and downloaded from the Company's website.

#### **Recommendation 4.2 Assurances**

The Company has a Managing Director (MD) that is employed full-time in the Company.

The Company has a Chief Financial Officer (CFO) that is employed full-time in the Company.

The Board has determined that the MD and CFO are the appropriate persons to make the declarations as required under section 295A of the Corporations Act and as per ASX recommendations.

These declarations state that, in their opinions, the financial records of the Company 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 which is operating effectively.

#### **Recommendation 4.3 Verification of integrity of periodic corporate reports**

The Company's external auditor, Grant Thornton Audit Pty Ltd (**Grant Thornton**), attends the Company's Annual General Meeting and is available to answer shareholder questions about the conduct of the audit and the preparation and content of the Auditor's Report.

Grant Thornton's independence declaration is contained in the Director's Report in our 2022 Annual Report.

The effectiveness, performance and independence of the external auditor is reviewed annually by the Audit and Risk Committee and the Board.

Any periodic corporate report the Company releases to the market that is not audited or reviewed by an external auditor is reviewed and approved by the Board so that it is satisfied the report in question is materially correct, balanced and provides investors with appropriate information to make an informed investment decision. Following review by the Board of Directors the report is formally approved prior to release.

### **PRINCIPLE 5 – MAKE TIMELY AND BALANCED DISCLOSURE**

#### **Recommendation 5.1 Continuous Disclosure Policy**

The Directors are committed to keeping the market fully informed of material developments to ensure compliance with ASX listing rules and the Australian Corporations Act 2001. At each Board meeting specific consideration is given as to whether any matter should be disclosed under the Company's Continuous Disclosure Policy. The chairperson, in conjunction with all Directors, is charged with the day to day disclosure to the market of any information in relation to the on-going activities of the Company.

The Company commits to:

- Ensuring that shareholders and the market are provided with timely and balanced information about its activities;
- Complying with the general and continuous disclosure principles contained in governing exchange rules; and



- Ensuring that all market participants have equal opportunities to receive externally available information issued by the Company.

Company ASX releases are reviewed by Executive Directors, NEDs, and where applicable senior management prior to release to ensure:

- All releases are factually accurate, balanced, and objective;
- There is no material omission of information;
- Announcements are released in a timely manner; and
- Announcements comply with practices and procedures of the ASX Company Announcements Platform.

The Company Secretary ensures that at every Board meeting, continuous disclosure is on the agenda and that all directors have an opportunity to put forward any information that may need disclosure. On a monthly basis, the Company Secretary contacts all directors to ensure that they do not have any information or matters that need disclosure. The Continuous Disclosure Policy may be viewed and downloaded from the Company's website.

### **Recommendation 5.2 Provide Board with copies of all material market announcements**

Synertec ensures that its Board receives copies of all material market announcements prior to release to the market followed by immediate notification including announcement following each release to the market.

### **Recommendation 5.3 Investor Presentations**

In accordance with the recommendation, the Company ensures that all new and substantive presentations are released to the market ahead of the presentation to enable security holders the opportunity to participate in the presentation. The Company discloses these processes in the Company's Continuous Disclosure Policy available on the Company's website.

## **PRINCIPLE 6 – RESPECT THE RIGHTS OF SECURITY HOLDERS**

### **Recommendation 6.1 Information and Governance**

Information about the Company and its corporate governance policies is available on our website at [www.Synertec.com.au](http://www.Synertec.com.au).

The Company also maintains a separate investor page on our website to provide shareholders with links to annual and interim reports, ASX announcements, presentations and other key information.

### **Recommendation 6.2 Investor Relations**

We endeavour to communicate with shareholders and other stakeholders in an open, regular and timely manner so that the market has sufficient information to make informed investment decisions.

Through its Shareholder Communications Policy, the Company aims to provide information that will allow existing shareholders, potential shareholders, and financial analysts to make informed decisions about the Group's intrinsic value and is available on meet its obligations under the ASX's continuous disclosure regime.

Our investor relations program includes:

- issuing regular written shareholder communications such as quarterly trading and business updates and an Annual Report to address the Company's strategy and performance;
- sending and receiving shareholder communications electronically;
- maintaining the Board and corporate governance and investor sections on our website including posting all announcements after they have been disclosed to the market;
- promoting two-way interaction with shareholders, by supporting shareholder participation at general meetings including encouraging shareholders to send their questions to the Company prior to the annual general meeting and responding to their questions and feedback; and
- ensuring that continuous disclosure obligations are understood and complied with throughout the Group.



Shareholder queries should be referred to the Company Secretary in the first instance.

The Company has adopted a Shareholder Communications Policy. The Shareholder Communications Policy may be viewed and downloaded from the Company's website.

### **Recommendation 6.3 Shareholder Meeting Participation**

Shareholders are forwarded the Company's Annual Report, if requested (it is otherwise made available on the Company's website), and documents relating to each general meeting, being the notice of meeting, any explanatory memorandum and a proxy form and shareholders are invited to attend these meetings.

The Board regards each general meeting as an important opportunity to communicate with shareholders and it provides a key forum for shareholders to ask questions about the Company, its strategy and performance. At shareholder meetings, the Company will provide an opportunity for shareholders and other stakeholders to hear from and put questions to the Board, management and if applicable our external auditor.

### **Recommendation 6.4 All substantive resolutions at a security holder meeting are decided by poll**

In order to ascertain the true will of Synertec's security holders attending and voting at its security holder meetings, whether they attend in person, electronically or by proxy or other representative, in most situations where this can be achieved the company will conduct the voting procedure by a poll.

### **Recommendation 6.5 Electronic Communications with Shareholders**

The Communications strategy provides that security holders can register with the Company to receive email notifications when an announcement is made by the Company to the ASX, including the release of the Annual Report, half yearly reports and quarterly trading and business updates. Links are made available to the Company's website on which all information provided to the ASX is immediately posted.

Shareholders queries should be referred to the Company Secretary, in the first instance.

## **PRINCIPLE 7 – RECOGNISE AND MANAGE RISK**

### **Recommendation 7.1 Risk Committee**

The Board has an Audit and Risk Management Committee which advises the Board on the establishment and maintenance of a framework of internal control, risk management and appropriate governance standards for the management of the Company.

The Audit and Risk Management Committee consist of the three Directors of the Board, two of whom are independent. The Committee is chaired by an independent Director.

During the financial year 2022, the Committee was comprised of:

Leeanne Bond	Non-Executive Director & Chairperson
Dennis Lin	Non-Executive Director
David Harris	Executive Director

The Company's risk management statement is within the charter of the Audit and Risk Management Committee which may be viewed and downloaded from the Company's website.

The Board is responsible for the oversight of risk management in the Company. In the ordinary course of business, management monitors and manages these risks. Key operational and financial risks are presented to and reviewed by the Board at each Board meeting.

The Board identifies areas of risk within the Company and continuously undertakes a risk assessment of the Company's operations, procedures and processes. The risk assessment is aimed at identifying the following:



- a culture of risk control and the minimisation of risk throughout the Company, which is being done through natural or instinctive process by employees of the Company;
- a culture of risk control that can easily identify risks as they arise and amend practices;
- the installation of practices and procedures in all areas of the business that are designed to minimise an event or incident that could have a financial or other effect on the business and its day to day management; and
- adoption of these practices and procedures to minimise many of the standard commercial risks, such as taking out the appropriate insurance policies, or ensuring compliance reporting is up to date.

Details of meetings held by the Committee during the year and member attendance are set out in the 2022 Directors' Report.

### **Recommendation 7.2 Review of Risk Management Framework**

The overall audit and risk management framework is reviewed at least annually by the Audit and Risk Management Committee. The Audit and Risk Management Committee has reviewed and is satisfied with the audit and risk management framework of the Company for the current reporting period.

### **Recommendation 7.3 Internal Audit**

The Company does not currently have an internal audit function, but through the Company's risk management process, management is satisfied that it can evaluate and continually improve the effectiveness of its risk management and internal control processes. The Company's Board of Directors periodically undertakes an internal review of financial systems and processes and where systems are considered to require improvement, these systems are developed. Authority delegations are reviewed annually by the Audit and Risk Management Committee. The Authority Delegation statement may be viewed and downloaded from the Company's website.

### **Recommendation 7.4 Material Exposure to Safety, Economic, Environmental and Social Sustainability (SEES) Risks**

The Board is regularly involved in discussions in relation to material exposure to economic, environmental and social sustainability risks facing the Company.

An important aspect of Synertec's risk management framework includes the protection of our people and the people in surrounding communities in workplace health and safety. Our shared duty is to assure the health, security, and safety of people, the integrity and safe operation of our assets, and the protection of the environment. We accomplish this by setting clear expectations including target setting, training of our workforce, and empowering our workforce to stop work whenever they believe there is a danger to people, the environment, or the safe operation of our assets. Effective management of SEES risks is vital to successful delivery of Synertec's strategy, our long-term sustainability, and maintenance of our license to operate in the communities where we conduct business.

We work to avoid, mitigate, and minimise environmental impacts where we do business, and we try to create mutually supporting economic and environmentally sustainable solutions.

The Company is subject to a range of general economic risks, including macro-economic risks, government policy, general business conditions, changes in technology and many other factors.

## **PRINCIPLE 8 – REMUNERATE FAIRLY AND RESPONSIBLY**

### **Recommendation 8.1 Remuneration Committee**

The Board has established a Remuneration and Nomination Committee comprising of a majority of independent Directors.

The Remuneration and Nomination Committee consist of the three Directors of the Board, two of whom are independent. The Committee is chaired by an independent Director.

During the financial year 2022, the Committee was comprised of:



Name

Dennis Lin	Non-Executive Director & Chairperson
Leeanne Bond	Non-Executive Director
Michael Carroll	Executive Director

The role of the Committee is to assist and advise the Board in relation to the appointment of Directors to the Board, the formulation of succession planning generally and the formulation and review of remuneration policies. It is the Company's objective to provide maximum stakeholder benefit from the retention of a high-quality Board and Executive team by remunerating Directors and key management personnel fairly and appropriately with reference to relevant employment market conditions. To assist in achieving this objective, the Committee, in assuming the responsibilities of assessing remuneration to employees, linking the nature and number of Directors' and key management personnel's remuneration to the Company's financial and operational performance. The expected outcomes of the remuneration structure are:

- retention and motivation of key management personnel;
- attraction of high-quality management to the Company; and
- performance incentives that allow key management personnel to share in the Company's success.

The charter of the Remuneration and Nomination Committee and the process for selecting and appointing new Board members may be viewed and downloaded from the Company's website. Details of the Company's remuneration policy are contained in the Remuneration Report within the Company's latest Annual Report.

The charter of the Remuneration and Nomination Committee which may be viewed and downloaded from the Company's website.

Details of meetings held by the Committee during the year and member attendance are set out in the 2022 Directors' Report.

### **Recommendation 8.2 Remuneration Policies and Practices**

The Remuneration and Nomination Committee is currently responsible for determining and reviewing remuneration policies for the directors and senior executives. If necessary, it obtains independent advice on the appropriateness of remuneration packages given trends in comparable companies and in accordance with the objectives of the Company.

Details of the Company's remuneration practices for its Directors and senior executives are disclosed in the Remuneration Report in the Company's Annual Report. The Remuneration Report highlights the balance between fixed pay, short term incentive and long-term incentives, and includes details of the remuneration paid and the relationship to the Company's performance.

Separate disclosure regarding the remuneration of the Company's directors (executive and non-executive) is disclosed in the Company's 2022 Annual Report, as lodged with the ASX and issued to shareholders.

### **Recommendation 8.3 Equity Based Remuneration Scheme**

The Company has a Securities Trading Policy which includes a policy prohibiting participants of an equity-based remuneration scheme from entering into transactions (whether through the use of derivatives or otherwise) which limit the economic risk of participating in the scheme.

For further information, a copy of the Company's Securities Trading Policy may be viewed and downloaded from the Company's website.