



CORPORATE GOVERNANCE STATEMENT

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GreenHy2 Limited

ABN 51 000 689 725

Consolidated Financial Statements
For the Year Ended 31 December 2023





The purpose of GreenHy2 Limited (“**GreenHy2**” or the “**Company**”) is to deliver to clients in the energy, infrastructure, resources, industrial and government sectors renewable energy products supported by specialist multidisciplinary maintenance and construction services, which protect and enhance their investments, without compromising on our values. Whilst doing this the Board is committed to providing a satisfactory return to its shareholders and fulfilling its corporate governance obligations and responsibilities in the best interests of the company and its shareholders. Good governance enables GreenHy2 to deliver this purpose while meeting the Boards intent.

This Corporate Governance Statement summarises GreenHy2’s approach to corporate governance over the financial year of 2023. The corporate governance approach is aligned with the fourth edition of the Corporate Governance Principles and Recommendations released by the ASX Corporate Governance Council in February 2019 (“**Recommendations**”). The Appendix 4G lodged with ASX Limited (“**ASX**”) indicates whether specific Recommendations are dealt with in this Corporate Governance Statement or on our website, or a combination of both.

This Corporate Governance Statement was approved by the Board of GreenHy2 (“**Board**”) and is current as of 28th March 2024 in accordance with ASX Listing Rule 4.10.3.

Principle 1: Lay solid foundations for management and oversight

Board of Directors

The Role and Responsibilities of the Board

The Company’s Board charter and Delegation of Authority matrix sets out

- a) The roles and responsibilities of the Board and management
- b) The matters expressly reserved to the board; and
- c) The matters delegated to management.

The Board Charter can be viewed at <https://www.greenhy2.com.au/investors>.

The Board is responsible for, and has the authority to determine or delegate, all matters relating to the management and operation of the Company.

In exercising its responsibilities, the Board seeks to identify the expectations of the shareholders, as well as other regulatory and ethical expectations and obligations. In addition, the Board is responsible for identifying areas of significant business risk and ensuring arrangements are in place to adequately manage those risks.

The Board is responsible for ensuring that management’s objectives and activities are aligned with the expectations and risk identified by the Board. The Board has a number of mechanisms in place to ensure this is achieved including:

Board approval of a strategic plan designed to meet stakeholders’ needs and manage business risk.

- ongoing development of the strategic plan and approving initiatives and strategies designed to ensure continued growth and success of the entity.
- implementation of budgets by management and monitoring progress against budgets – via the establishment and reporting of both financial and non-financial key performance indicators.
- Other functions reserved to the Board include:
 - approval of the annual and half-yearly financial reports.
 - approving and monitoring the progress of major capital expenditure, capital management, and acquisitions and divestitures.
 - ensuring that any significant risks that arise are identified, assessed, appropriately managed, and monitored.
 - reporting to shareholders.





Role of Management

The responsibility for the operation and administration of the Company is delegated by the Board to the Managing Director (MD) and the executive management team. The Board ensures that this team is appropriately qualified and experienced to discharge their responsibilities and has in place procedures to assess the performance of the MD and the executive management team

Senior Management is responsible for supporting the Managing Director and assisting the Managing Director implement the operations and financial performance of the Company, in accordance with the delegated authority of the Board.

Appointment of Directors

Prior to appointing a director/senior executive, the Board ensures that proper background checks are performed. Directors appointed by the Board, and directors retiring on rotation in accordance with the Company's constitution, are required to be re-elected by shareholders at a General Meeting of the Company. All relevant information relating to the director's appointment, including details of their skills and experience are made available to shareholders in the notice meeting.

The Company has written agreements in place with each director/senior executive setting out the terms of their appointment and outlining the key roles and responsibilities. Each director and executives must undergo an appropriate induction process to ensure they are familiar with their obligations and GreenHy2's operations.

Role of the Company Secretary

The Company Secretary is responsible for supporting the effectiveness of the Board and is accountable directly to the Board, through the Chairman, on all matters to do with the proper functioning of the Board. The responsibilities of the Company Secretary are set out in the Board Charter referenced in this statement.

Diversity

GreenHy2 Limited ("GreenHy2") is an Equal Opportunity Employer and recognises the value in developing a competent, motivated, and appropriately skilled workforce.

A copy of the diversity policy is located at <https://www.greenhy2.com.au/investors>.

The Company also has a formal indigenous participation strategy in our operations to encourage community engagement. This strategy outlines the Company's commitment to providing Indigenous employment opportunities, ongoing support, training and career development.

The performance of the Board, Board Committees and key executives is reviewed regularly against both quantitative and qualitative indicators. The performance criteria against which directors and executives are assessed are aligned with the financial and non-financial objectives of GreenHy2.

Informally, the performance of the MD and that of key executive is assessed at each board meeting with the respect of their performance towards meeting current KPI's and overall progress toward meeting the Boards strategic direction of the Company.





Principle 2 – Structure the Board to add value.

Board Committees

The Board has established Committees to assist in the execution of its duties.

The Committees of the Board are

- Audit Committee
- Nomination and Remuneration Committee
- HSE Committee

Each Committee has its own Charter approved by the board which are available in the Corporate Governance Section of our website at <https://www.greenhy2.com.au/investors>.

The members of the Committees at the date of this report have been as follows:

Directors	HSE Committee	Audit Committee	Nomination and Remuneration Committee
Mr. Paul Dagleish Executive Chairman and Managing Director	Member	Member	Member
Mr. William Howard Executive Director		Member	
Mr. Charles Rottier Non-Executive Director (Independent)	Chairman	Chairman	Chairman

Details of all directors to have served on the Committees during the year, their qualifications, the number of meetings of the Committee held during the year and the attendees at those meetings can be found in the Annual Report.

The ASX Principles recommend that at least three members, a majority of whom are independent directors; and is chaired by an independent director. The Board does not currently meet the ‘majority’ recommendation.

The Board acknowledges these differences however believes that the Board is appropriately qualified, sized and structured to operate effectively in the current market environment without compromising its ability to act in the best interests of all shareholders, company, and employees.

Board Composition, Skills and Experience

The composition of the Board is reviewed regularly to ensure that there is an appropriate balance of skills, experience, and diversity to perform the Board’s duties effectively. The details of the composition of the Board are set out in the below table.

Table 1 – Composition of the Board during the Year has been:

Director	Position/Independence	
Mr. Paul Dagleish	Executive Chairman & Managing Director	Appointed: Executive Chairman: 30 Sep 2022 Appointed: Managing Director: 09 Feb 2022
Mr. William Howard	Executive Director	Appointed: 15 Aug 2019
Mr. Charles Rottier	Non-Executive Director (Independent)	Appointed: 18 Mar 2020





Details on each of the Directors’ backgrounds including experience, knowledge, skill, and their status as an independent Non-Executive director are set out in the Annual Report.

The table below sets out the key skills and experience of the Board at the current time:

Area	Skills and experience
Leadership	Executive leadership; Strategic thinking; Risk management; Commercial acumen;
Finance and Compliance	Finance and accounting; Legal; Corporate governance; Employment compliance
Operations	Operational Project delivery; Health, Safety and Environment; Industrial relations; Human resources; Contract management
Sector and geographical Maintenance and other contracting	Range of sectors; Domestic and international
Growth	Business development; capital markets; mergers and acquisitions

Independence

The ASX Principles recommend that the majority of the Board of a listed entity and its Chair should be independent. For the period of this report and coming year the organisation does not meet the ‘majority’ recommendation.

The Board acknowledges these differences however believes that the Board is appropriately qualified, sized and structured to operate effectively in the current market environment without compromising its ability to act in the best interests of all shareholders, company and employees.

All new directors are provided with an induction including comprehensive meetings with the MD and senior executives/management as appropriate and provision of information on the Company including Company and Board policies, charters and other material documents.

All directors are expected to maintain the skills required to effectively discharge their obligations to the Company.

Principle 3 – Act ethically and responsibly

Values, Code of Conduct, and Anti-bribery and Corruption

Directors, Senior Executives, and employees are expected to practise and comply with all applicable law and regulations in fulfilling their duties and responsibilities under the company’s code of conduct which includes GreenHy2 Core Values and Anti-bribery and corruption expectations which details of the company’s commitment to conducting business and associated activities with integrity, free from dishonesty and improper behaviour.

GreenHy2s Code of conduct can be found <https://www.greenhy2.com.au/investors>.

Whistleblower Policy

The Company operates a Whistleblower Policy and is committed to maintain an open working environment in which employees are able to report instances of unethical, unlawful, or undesirable conduct without fear of intimidation or reprisal.

Principle 4 – Safeguard integrity in corporate reporting

Details of all directors to have served on the Committee during the year, their qualifications, the number of meetings of the Committee held during the year and the attendees at those meetings can be found in the Annual Report.





A key role of the Audit Committee is to monitor the performance and independence of the external auditor and providing appointment recommendations to the Board.

For the period of the report the External Auditor has asserted their independence through their certificate of independence and the Audit Committee have not identified anything that would suggest the external auditor did not meet this assertion.

MD and CFO Declaration

Prior to approving the financial statements of the Company the Board receives a declaration from the Managing Director and Chief Financial Officer 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.

Auditor Attendance at AGM

The Company's auditor attends the Annual General Meeting and are available to answer questions from shareholders relevant to the audit.

Principle 5 – Make timely and balanced disclosure

The Company is required to make timely and balanced disclosure of all certain events that a reasonable person would expect to have a material effect on the price of its securities.

The Company has a written Communications policy that defines the Board's intent towards continuous disclosure and is designed to both ensure compliance with the ASX Listing Rules disclosure requirements.

The Company seeks independent advice on disclosure matters where deemed advisable by the Board.

A copy of the Communications policy is available in the Corporate Governance Section of the Company's website.

The board receives copies of all material market announcements before they have been made.

The Company ensures that copies of new and substantive investor presentations are released on the ASX Market Announcement Platform (MAP) ahead of the presentation.

Principle 6 – Respect the rights of security holders

The Company has a written Communication Policy which outlines how we engage with our investors and shareholders. Shareholders are made aware that they may ask questions and are provided with an opportunity to ask questions of the Board at the Annual General Meeting

A copy of this policy is available in the Corporate Governance Section of the Company's website.

The Company's ASX releases, Annual and Half Year Reports and key corporate information, including share registry details, are published on the Company's website. Shareholders can register to receive communications electronically.

An investor relations program is implemented annually and in the current year included AGM, half year and full year results briefings and meetings with investors and analysts.

GreenHy2 ensures that all resolutions at a meeting of security holders are decided by a poll rather than by a show of hands.





Principle 7 – Recognise and manage risk

The Board determines the Company’s risk profile and is responsible for overseeing and approving risk management strategy and policies, internal compliance, and internal control. The Company’s process of risk management includes internal controls to deal with both the effectiveness and efficiency of significant business processes, the safeguarding of assets, the maintenance of proper accounting records and the reliability of financial information as well as non-financial considerations.

HSE Committee

The HSE Committee (“HSE”). The Committee operates under a charter approved by the Board. The HSE is responsible for reviewing:

- monitoring performance against the Company HSE management framework.
- material incidents involving HSE controls.
- Whether the company is operating within the HSE risk profile for the Company as set by the board from time to time.

The members of the Committee during the Year and at the date of this report has been as follows:

Name	Role	Tenure
Mr. Paul Dagleish	Executive Chairman & Managing Director	Appointed: Executive Chairman: 30 Sep 2022 Appointed: Managing Director: 09 Feb 2022
Mr. Charles Rottier	Chairman Non-Executive Director (Independent)	Appointed 18 March 2020

Details of all directors to have served on the Committee during the year, their qualifications, the number of meetings of the Committee held during the year and the attendees at those meetings can be found in the Annual Report.

The Committee Chairman is an independent director. As at the date of this report 50% of the Committee members are independent and 50% are Non-executive Directors. The Board acknowledges this difference (that the majority are not independent directors) however believes that the Committee is appropriately qualified and structured to operate effectively in the current market environment without compromising its ability to act in the best interests of the shareholders, company, and employees.

Risk Management Framework

The Company’s risk management framework is continually evolving in order to maintain relevance to the business’s operations and risk exposure.

The risk management framework was reviewed in the period covered by this report by the Audit and Risk Committee. The review considered the risk management framework to be appropriate at the present time.

Internal Audit

The Company currently does not have an internal audit function. The Audit and Risk Committee will continue to review periodically whether there is a need for such a function. Compliance with key processes including health, safety and environment management and the risk framework is reviewed periodically by the Company’s quality assurance function. The Board believes that this is sufficient at the present time given the scale and nature of the organisation’s operations.





Exposure to Material Risk

The Board acknowledges that there is a major risk around securing additional work in a challenging market environment. The Board has taken a number of steps to mitigate this risk by identifying control and mitigation measures in the risk management framework. Directors and executives recognise that the Company has material exposure to other economic, environmental, and social sustainability risks as discussed in the Annual Report.

Principle 8 – Remunerate fairly and responsibly

Nomination and Remuneration Committee

The Board is responsible for determining and reviewing compensation arrangements for the Board and the executive team. The Board has established a Nomination and Remuneration Committee to provide advice and recommendations with respect to remuneration matters. Further details of the Committee can be found in Principle 2 above.

Remuneration Policies and Practices

The Company has separate policies and practices for the remuneration of non-executive directors and executive directors and senior management. Full discussion of the Company’s remuneration philosophy and framework and the remuneration received by directors and executives in the current period is contained within the Remuneration Report in the Annual Report.

The Company has a Code of Conduct which prohibits participants in the company’s equity-based long term incentive scheme from entering into transactions (such as the use of derivative products) to limit the economic risk of participating in the scheme.

A copy of the Code of Conduct is available in the Corporate Governance Section of the Company’s website.

Conclusion

The Board is satisfied with its level of compliance with the Recommendations. However, the Board recognises that processes and procedures require continual monitoring and improvement. GreenHy2’s corporate governance framework is continually reviewed and updated as changes occur in the regulatory environment to ensure that it remains effective and compliant.

Authorised by:

William Howard
Company Secretary
28 March 2024

