

# Innovation and Sustainability Committee Charter

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The Innovation and Sustainability Committee (**Committee**) is a committee of the Board of CS Energy Limited (**CSE**).

This Charter outlines the role and responsibilities as well as the composition and meeting requirements of the Committee.

## Role of the Committee

The Committee assists the Board to discharge its responsibilities regarding the development and effective implementation of the Company strategy, by assessing technology and trends that support the Company's current strategy may complement or threaten the Company, in particular the part that addresses the long-term success of the Company.

The Committee is a Board committee and not an executive committee. As such it should not seek to perform any management functions or assume any management responsibilities and will have an objective, independent role. However, the Board has delegated specific and general authority for the Committee to make decisions on behalf of the Board as detailed in Authority and Delegation below.

The Committee's primary role is to understand the factors that may impact the long term sustainability of the Company, any opportunities that may complement the current Company strategy and explore new business opportunities the Company may pursue.

## Key Responsibilities

The responsibility for determining the Company's strategy rests with the Board, and it should be developed in conjunction with the CEO and Executive Team. The Committee is however, responsible for oversight of development of this strategy and will:

- Monitor and review the competitiveness of the Company's existing portfolio, and emerging technologies, innovations and trends in the energy industry with a view to them potentially contributing to the Company's efforts to:
  - (i) mitigate the risk to the Company's future earnings from changes in industry structure; and
  - (ii) grow economic and viable alternate/enhanced earnings streams.
- Ensure a balanced approach to short term and long term technology applications, which are designed to sustain the Company's long term success.
- Discuss and advise on innovation strategies, the implementation of which will create value consistent with the long-term preservation and enhancement of shareholder value and social well-being.
- Discuss and advise on the development of strategies, policies, and practices that assist the Company in addressing public sentiment and shaping policy in the areas of energy consumption, climate change, greenhouse gas and other issues relevant to the business.

## Authority and Delegation

The Committee will act in terms of the delegated authority of the Board as recorded in this Charter. It has the power to investigate any activity within the scope of the Charter.

Despite the delegations below, the Committee Chair may determine, at their discretion, that any matter should instead be referred to the Board for the Board's consideration.

## Specific Delegations

The Board has not delegated any decision-making powers to the Committee.

## General Delegations

The Committee may direct any special investigations or obtain independent advice where considered necessary to discharge its responsibilities.

## Composition

The Board will appoint at least three non-executive Directors to the Committee.

The Committee Chair will be a member of the Committee, appointed by the Board.

Any director of the Company who is not a member of the Committee may attend meetings of the Committee; provided, however, that any director who is not a member of the Committee may not vote on any matter coming before the Committee for a vote.

## Quorum

A quorum consists of two Committee members entitled to be present at the meeting. Where only one Committee member is available, then any other Board Director may attend to constitute a quorum.

If the Chair is not available within five minutes of the scheduled start time of a meeting then the committee will elect an interim Chair from among the members for that meeting.

## Term of Membership

The term of membership will endure whilst each member remains a Director of CSE or until such time as the Board determines otherwise.

The Board will review membership of the Committee and its performance and effectiveness on an ongoing basis.

Vacancies on, or absences from, the Committee will be addressed by the Board as required.

## Meetings

The Committee will determine the frequency of regular meetings and such additional meetings as the Chair decides to fulfil its duties. The Committee will meet as frequently as required to discharge its overall duties, but at least three times per year.

The Committee Chair may call a specific Committee meeting if requested to do so by the Board, or any Director.

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## Secretariat

The Company Secretary is the Secretary of the Committee, and will be jointly responsible with the Chief Executive Officer for settling the agenda which may be agreed with the Chair and circulated to Committee members, prior to a meeting.

The Secretary will be responsible for keeping the minutes of the meetings of the Committee. Draft minutes will be prepared by the Secretary who will use best endeavours to circulate them to the Committee Chair within five working days of the date of the meeting for comment and then to all Committee members within a further five working days. Following receipt of any comments, the updated minutes will be provided to the Committee Chair for consideration prior to formal acceptance at the subsequent Committee meeting.

## Access

The Committee has authority to seek any information it requires from any officer or employee of CSE.

The Committee will have reasonable access to CSE's records, facilities and any other resources necessary to discharge its duties and responsibilities.

The Committee may invite or direct any party, including senior executives, to attend meetings or not, for particular agenda items and participate in discussions concerning specific issues.

The Committee has the authority to consult independent experts for advice, as it reasonably considers necessary to execute its duties and responsibilities.

## External Advice

To the extent that a Director requests independent professional advice on particular matters under the scope of this Charter, the provisions of the Board Charter may be relied upon to seek that advice.

## Committee Reporting Process

The Chair will report the findings and recommendations of the Committee to the Board of Directors after each Committee meeting.

## Committee Reporting and Self Evaluation

A summary of the role of the Committee may be included in CSE's annual report. Committee self evaluation will be conducted as part of the full board evaluation and self assessment processes.

## Review of Committee Charter

The Committee will review this Charter at least annually and recommend any changes to the Board.

## Conflicts and Conduct

Committee members will comply with the Board and CSE's standard and procedures in relation to management of conflicts of interest. Directors are expected to abide by the CSE [Code of Conduct](#). The Board of CSE has also elected to adopt the [Director Code of Conduct](#) from the Australian Institute of Company Directors.