

Corporate Governance Guidelines

Carbon Revolution Public Limited Company (the Company)

Adopted by the Board on 6th November 2023

Corporate Governance Guidelines

1 Introduction

The Board of Directors (the “Board”) of Carbon Revolution Public Limited Company (together with its subsidiaries, the “Company”) has adopted these Corporate Governance Guidelines (“Guidelines”) to assist and guide the Board in the exercise of its responsibilities. These Guidelines should be interpreted in accordance with any requirements imposed by applicable law or regulation, the Nasdaq Stock Market LLC, and the Amended and Restated Memorandum and Articles of Association (the “Articles”) of the Company. The Board may review and amend these guidelines from time to time.

This Charter includes an overview of:

- Board composition and process; and
- the relationship and interaction between the Board, Board Committees and management.

These Guidelines and the charters adopted by the Board for its standing Committees have been prepared and adopted on the basis that strong corporate governance can add to the performance of the Company, create shareholder value and engender the confidence of the investment market.

These Guidelines are to be reviewed by the Board as required and at least annually.

2 Board composition

2.1 Board composition and size

- (a) The Board, together with the Remuneration and Nomination Committee, determines the size and composition of the Board, subject to the terms of the Company’s Articles and applicable law.
- (b) It is intended that the Board should comprise a majority of independent Non-executive Directors and comprise Directors with a broad range of skills, expertise and experience from a diverse range of backgrounds.
- (c) The Board, together with the Remuneration and Nomination Committee, will review the skills, experience, expertise and diversity represented by Directors on the Board and determine whether the composition and mix remain appropriate for the Company’s strategy and covers the skills needed to address existing and emerging business and governance issues relevant to the entity. The Board and Remuneration and Nomination Committee will have regard to this review when considering Board succession planning and ongoing director education program.
- (d) The Board will be responsible for nominating individuals for election to the Board by the Company’s shareholders at the annual general meeting of shareholders. The Board is also responsible for filling vacancies on the Board that may occur between annual general meetings of shareholders. The Remuneration and Nominating Committee of the Board is responsible for

identifying, reviewing, evaluating and recommending to the Board candidates to serve as Directors of the Company in accordance with the Remuneration and Nomination Committee's charter and the Company's Articles and consistent with the criteria listed below.

- 1 In considering candidates recommended by the Remuneration and Nomination Committee and otherwise, the Board intends to consider such factors as: (i) the candidate possessing relevant experience and expertise to enable him or her to be able to offer germane advice and guidance to management; (ii) proven achievement and competence in such person's field; (iii) the ability to exercise sound business judgment; (iv) the candidate having an understanding of the fiduciary responsibilities required of a Director; (v) commitment to devoting time and energy to the affairs of the Company; (vi) the candidate having a diverse personal background, perspective and experience; (vii) the candidate being committed to vigorously representing the long-term interests of the Company's shareholders, and (viii) the candidate being independent for purposes of satisfying applicable listing requirements.
- 2 In the case of incumbent Directors whose terms of office are set to expire, the Board reviews such Directors' overall service to the Company during their term, including the number of meetings attended, level of participation, quality of performance, and any other relationships and transactions that might impair such Directors' independence.

2.2 Director independence and tenure

- (a) The Board regularly reviews the independence of each Non-executive Director in light of information relevant to this assessment as disclosed by each Non-executive Director to the Board to determine whether a material relationship exists that might represent a potential conflict of interest or otherwise interfere with the Director's ability to satisfy his or her responsibilities as an independent Director.
- (b) At least a majority of the members of the Board shall meet the independence requirements set forth in the Nasdaq Stock Market Rules (see Attachment 1).
- (c) The Board does not believe that it should establish an arbitrary limit on tenure. 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 in the Company and its operation and, therefore, an increasing contribution to the Board as a whole. Accordingly, tenure is just one of the factors that the Board takes into account when assessing the independence and ongoing contribution of a Director in the context of the overall Board process.

3 Board role and responsibilities

3.1 Board role

The Board's role is to:

- (a) represent and serve the interests of the Company by overseeing and appraising the Company's strategies, policies and performance. This includes overseeing the financial and human resources the Company has in place to meet its objectives, and reviewing management performance;

- (b) protect and optimise Company performance and build sustainable value for the Company in accordance with any duties and obligations imposed on the Board by law and the Company's Articles and within a framework of prudent and effective controls that enable risk to be assessed and managed; and
- (c) set, review and monitor compliance with the Company's values and governance framework (including establishing and observing high ethical standards and demonstrating leadership).

3.2 Board responsibilities

The responsibilities of the Board include:

- (a) selecting, appointing and evaluating from time to time the performance of, determining the remuneration of, and planning succession of, the Chief Executive Officer (**CEO**), with input from the Remuneration and Nomination Committee;
- (b) with the CEO, selecting, appointing and evaluating from time to time the performance of, determining the remuneration of, and planning succession of, the senior executive team, with input from the Remuneration and Nomination Committee;
- (c) contributing to and approving management development of corporate strategy, including defining the Company's purpose, setting strategic objectives and approving operating budgets;
- (d) monitoring systems of risk management, internal control and legal compliance. This includes reviewing procedures to identify the main financial and non-financial risks associated with the Company's businesses and the implementation of appropriate systems to manage these risks;
- (e) monitoring corporate performance and management's implementation of the Company's strategy and policy and promotion of the Company's values;
- (f) approving the risk appetite within which the Board expects management to operate;
- (g) approving the Company's values and Code of Conduct and monitoring corporate culture and setting the tone from the top;
- (h) approving and reviewing the Company's governance policies;
- (i) approving major capital expenditure, acquisitions and divestitures, and overseeing capital management, including approving dividend payments;
- (j) monitoring and reviewing management processes aimed at ensuring the integrity of financial and other reporting;
- (k) approving financial reports, profit forecasts and other reports required at law or under the Nasdaq Stock Market Rules to be adopted by the Board;
- (l) overseeing the Company's process for making timely and balanced disclosure of all material information concerning the Company that a reasonable person would expect to have a material effect on the price or value of the Company's securities;
- (m) evaluating, at least annually, the performance of the Board, its Committees and individual Directors in accordance with the process set out in Attachment 2;
- (n) reviewing the Company's risk management framework at least annually to satisfy itself that it continues to be sound and that the Company is operating with due regard to the risk appetite set by the Board;
- (o) approving the measurable objectives for achieving diversity (including gender diversity) in the composition of the Board, senior executive team and workforce generally and assessing the Company's progress in achieving those objectives;
- (p) satisfying itself that the Company's remuneration framework is aligned with the Company's purpose, values, strategic objectives and risk appetite;

- (q) approving performance targets for the CEO and the CEO's direct reports, considering performance against those targets and determining remuneration outcomes, with input from the Remuneration and Nominating Committee; and
- (r) performing such other functions as are prescribed by law or nominated by the Board from time to time.

3.3 Director responsibilities

- (a) Directors will act at all times with honesty and integrity and will demonstrate the highest standards of ethical behaviour.
- (b) Directors will ensure that no decision or action is taken that has the effect of prioritising their personal interests over the Company's interests.
- (c) Directors will be expected to participate in all induction and orientation programs and any continuing education or training arranged for them.
- (d) Directors are expected to spend the time needed and meet as frequently as the Board deems necessary or appropriate to discharge their responsibilities. Senior management is responsible for distributing in advance to Directors information important to the Board's understanding of the business to be conducted at a Board or Committee meeting. Directors should review these materials before the meeting.
- (e) Performing the duties and fulfilling the responsibilities of a Director requires a significant commitment of time and attention. The Board does not believe, however, that explicit limits on the number of other boards of directors on which a Director sits, or on other activities a Director pursues, are appropriate. Directors should notify the Chair of the Remuneration and Nominating Committee prior to accepting a seat on the board of directors of another business corporation so that the potential for conflicts or other factors compromising the Director's ability to perform or fulfill his duties and responsibilities may be fully assessed by the Board's leadership.
- (f) The Board collectively, and each Director individually, has the right to seek independent professional advice, subject to the approval of the Chair, or the Board as a whole.

4 Delegation of duties and powers

4.1 Delegation to Committees

- (a) The Board from time to time establishes Committees to streamline the discharge of its responsibilities.
- (b) The Board adopts a formal charter for each standing Committee setting out the matters relevant to the composition, responsibilities and administration of the Committee.
- (c) The permanent standing Committees of the Board are the Audit and Risk Committee, and the Remuneration and Nomination Committee. The Board may also delegate specific functions to ad hoc Committees on an 'as needs' basis.

4.2 Delegation to management

- (a) While the Board retains ultimate responsibility for the strategy and performance of the Company, the day-to-day operation of the Company is conducted by, or under the supervision of, the CEO as directed by the Board.
- (b) The Board approves strategic objectives for the CEO to work towards and, jointly with the CEO, develops the duties and responsibilities of the CEO.
- (c) The management team (being the CEO and other personnel to whom the management function is properly delegated by the CEO):

- (1) is responsible for implementing strategic objectives, plans and budgets approved by the Board; and
 - (2) is accountable to the Board for matters within its delegated authority and for complying with any limits on that authority, including complying with the law and company policies.
- (d) Management must supply the Board with information in a form, timeframe and quality that will enable the Board to discharge its duties effectively.
 - (e) The Board is responsible for satisfying itself that the Board reporting framework is appropriate.
 - (f) Directors are entitled to request additional information at any time when they consider it appropriate.
 - (g) The Board will regularly monitor the performance of the CEO and senior management team and where required, provide feedback to and challenge the CEO and senior executives.

5 Board process

5.1 Meetings

- (a) The Board will meet regularly and Directors will use all reasonable endeavours to attend Board meetings. Attendance and participation at meetings is an important component of the Directors' duties and, as such, attendance rates will be taken into account by the Remuneration and Nominating Committee in assessing Directors for renomination as Directors.
- (b) Periodically, non-executive Directors will meet without management present.
- (c) The Company's Articles governs the regulation of Board meetings and proceedings.

5.2 The Chair

- (a) The Board will appoint one of its members to be Chair.
- (b) It is intended that the Chair should be an independent Director.
- (c) The Chair represents the Board to the shareholders and communicates the Board's position.
- (d) The Chair is responsible for leading the Board, facilitating the effective contribution of all Directors and promoting constructive and respectful communication between Directors and between the Board and management.

5.3 The Company Secretary

- (a) The Board will appoint at least one Company Secretary who is responsible for coordination of all Board business, including agendas, board papers, minutes, communication with regulatory bodies, and all statutory and other filings.
- (b) The Company Secretary is accountable to the Board, through the Chair, on all matters to do with the proper functioning of the Board.
- (c) All Directors will have direct access to the Company Secretary.

Nasdaq Independent Director Definition

Rule 5605(a)(2)

"Independent Director" means a person other than an Executive Officer or employee of the Company or any other individual having a relationship which, in the opinion of the Company's board of directors, would interfere with the exercise of independent judgment in carrying out the responsibilities of a director. For purposes of this rule, "Family Member" means a person's spouse, parents, children, siblings, mothers and fathers-in-law, sons and daughters-in-law, brothers and sisters-in-law, and anyone (other than domestic employees) who shares such person's home. The following persons shall not be considered independent:

(A) a director who is, or at any time during the past three years was, employed by the Company;

(B) a director who accepted or who has a Family Member who accepted any compensation from the Company in excess of \$120,000 during any period of twelve consecutive months within the three years preceding the determination of independence, other than the following:

(i) compensation for board or board committee service;

(ii) compensation paid to a Family Member who is an employee (other than an Executive Officer) of the Company; or

(iii) benefits under a tax-qualified retirement plan, or non-discretionary compensation.

Provided, however, that in addition to the requirements contained in this paragraph (B), audit committee members are also subject to additional, more stringent requirements under Rule 5605(c)(2).

(C) a director who is a Family Member of an individual who is, or at any time during the past three years was, employed by the Company as an Executive Officer;

(D) a director who is, or has a Family Member who is, a partner in, or a controlling Shareholder or an Executive Officer of, any organization to which the Company made, or from which the Company received, payments for property or services in the current or any of the past three fiscal years that exceed 5% of the recipient's consolidated gross revenues for that year, or \$200,000, whichever is more, other than the following:

(i) payments arising solely from investments in the Company's securities; or

(ii) payments under non-discretionary charitable contribution matching programs.

(E) a director of the Company who is, or has a Family Member who is, employed as an Executive Officer of another entity where at any time during the past three years any of the Executive Officers of the Company serve on the compensation committee of such other entity; or

(F) a director who is, or has a Family Member who is, a current partner of the Company's outside auditor, or was a partner or employee of the Company's outside auditor who worked on the Company's audit at any time during any of the past three years.

(G) in the case of an investment company, in lieu of paragraphs (A)-(F), a director who is an "interested person" of the Company as defined in Section 2(a)(19) of the Investment Company Act of 1940, other than in his or her capacity as a member of the board of directors or any board committee.

Performance evaluation process in relation to the Board and its Committees

- On an annual basis, Directors will provide feedback in relation to the performance of the Board, its Committees and individual Directors against a set of agreed criteria.
- Each Committee of the Board will also be required to provide feedback in terms of a review of its own performance.
- Where appropriate to facilitate the review process, assistance may be obtained from third party advisers.
- Feedback will be collected by the Chair of the Board, or an external facilitator, and discussed by the Board, with consideration being given as to whether any steps should be taken to improve performance of the Board or its Committees.
- In the case of the Chair of the Board's performance, feedback will be collected by the Chair of the Audit and Risk Committee or an external facilitator.
- The CEO will also provide feedback from senior management in connection with any issues that may be relevant in the context of the Board performance review.