

Appendix 4G

Key to Disclosures

Corporate Governance Council Principles and Recommendations

Name of entity

Southern Cross Electrical Engineering Limited

ABN/ARBN

92 009 307 046

Financial year ended:

30 June 2021

Our corporate governance statement¹ for the period above can be found at:²

- ☐ These pages of our annual report:
- ☒ This URL on our website: <https://www.scee.com.au/investors/corporate-governance>

The Corporate Governance Statement is accurate and up to date as at 30 June 2021 and has been approved by the board.

The annexure includes a key to where our corporate governance disclosures can be located.³

Date: 25 August 2021

Name of authorised officer authorising lodgement: Colin Harper – Company Secretary

¹ “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.

² 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.

³ 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, ⁴ we have followed the recommendation in full for the whole 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: ⁵
PRINCIPLE 1 – LAY SOLID FOUNDATIONS FOR MANAGEMENT AND OVERSIGHT			
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: https://www.scee.com.au/investors/corporate-governance	<input type="checkbox"/> set out in our Corporate Governance Statement OR <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 OR <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 OR <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 OR <input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable

⁴ 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/”).

⁵ 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, ⁴ 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: ⁵
1.5	<p>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&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 type="checkbox"/></p> <p>and we have disclosed a copy of our diversity policy at:</p> <p>.....</p> <p>[insert location]</p> <p>and we have disclosed the information referred to in paragraph (c) at:</p> <p>.....</p> <p>[insert location]</p> <p>and if we were included in the S&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 checked="" type="checkbox"/> set out in our Corporate Governance Statement</p>
1.6	<p>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:</p> <p>https://www.scee.com.au/investors/corporate-governance</p> <p>and whether a performance evaluation was undertaken for the reporting period in accordance with that process at:</p> <p>https://www.scee.com.au/investors/corporate-governance</p>	<p><input type="checkbox"/> set out in our Corporate Governance Statement OR</p> <p><input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable</p>

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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: https://www.scee.com.au/investors/corporate-governance in our corporate governance statement</p> <p>and whether a performance evaluation was undertaken for the reporting period in accordance with that process at: https://www.scee.com.au/investors/corporate-governance in our corporate governance statement</p>	<p><input type="checkbox"/> set out in our Corporate Governance Statement OR</p> <p><input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable</p>

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PRINCIPLE 2 - STRUCTURE THE BOARD TO BE EFFECTIVE AND ADD VALUE			
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"/> <i>[If the entity complies with paragraph (a):]</i></p> <p>and we have disclosed a copy of the charter of the committee at: https://www.scee.com.au/investors/corporate-governance in our corporate governance statement</p> <p>and the information referred to in paragraphs (4) and (5) at: https://www.scee.com.au/investors/corporate-governance in our corporate governance statement</p>	<p><input type="checkbox"/> set out in our Corporate Governance Statement OR</p> <p><input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable</p>
2.2	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><input checked="" type="checkbox"/></p> <p>and we have disclosed our board skills matrix at: https://www.scee.com.au/investors/corporate-governance in our corporate governance statement.</p>	<p><input type="checkbox"/> set out in our Corporate Governance Statement OR</p> <p><input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable</p>
2.3	<p>A listed entity should disclose:</p> <p>(a) the names of the directors considered by the board to be independent directors;</p> <p>(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</p> <p>(c) the length of service of each director.</p>	<p><input checked="" type="checkbox"/></p> <p>and we have disclosed the names of the directors considered by the board to be independent directors at: https://www.scee.com.au/investors/corporate-governance in our corporate governance statement</p> <p>and the length of service of each director at: https://www.scee.com.au/investors/corporate-governance in our corporate governance statement</p>	<p><input type="checkbox"/> set out in our Corporate Governance Statement</p>

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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
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 OR <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 OR <input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable
PRINCIPLE 3 – INSTIL A CULTURE OF ACTING LAWFULLY, ETHICALLY AND RESPONSIBLY			
3.1	A listed entity should articulate and disclose its values.	<input checked="" type="checkbox"/> and we have disclosed our values at: https://www.scee.com.au/investors/corporate-governance in our corporate governance statement	<input 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: https://www.scee.com.au/investors/corporate-governance	<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: https://www.scee.com.au/investors/corporate-governance	<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 checked="" type="checkbox"/> and we have disclosed our anti-bribery and corruption policy at: https://www.scee.com.au/investors/corporate-governance	<input type="checkbox"/> set out in our Corporate Governance Statement

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PRINCIPLE 4 – SAFEGUARD THE INTEGRITY OF CORPORATE REPORTS			
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 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:</p> <p>.....</p> <p><i>[insert location]</i></p> <p>and the information referred to in paragraphs (4) and (5) 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 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 checked="" type="checkbox"/> set out in our Corporate Governance Statement</p>
4.2	The board of a listed entity should, before it approves the entity's financial statements for a financial period, receive from its CEO and CFO a declaration that, in their opinion, the financial records of the entity have been properly maintained and that the financial statements comply with the appropriate accounting standards and give a true and fair view of the financial position and performance of the entity and that the opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.	<input checked="" type="checkbox"/>	<input type="checkbox"/> set out in our Corporate Governance Statement
4.3	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.	<input checked="" type="checkbox"/>	<input type="checkbox"/> set out in our Corporate Governance Statement

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PRINCIPLE 5 – MAKE TIMELY AND BALANCED DISCLOSURE			
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: https://www.scee.com.au/investors/corporate-governance	<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
PRINCIPLE 6 – RESPECT THE RIGHTS OF SECURITY HOLDERS			
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: https://www.scee.com.au/investors/corporate-governance	<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: https://www.scee.com.au/investors/corporate-governance in our 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

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PRINCIPLE 7 – RECOGNISE AND MANAGE RISK			
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 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:</p> <p>.....</p> <p><i>[insert location]</i></p> <p>and the information referred to in paragraphs (4) and (5) 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 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 checked="" 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:</p> <p>https://www.scee.com.au/investors/corporate-governance</p> <p>in our corporate governance statement</p>	<p><input type="checkbox"/> set out in our Corporate Governance Statement</p>
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>https://www.scee.com.au/investors/corporate-governance</p>	<p><input type="checkbox"/> set out in our Corporate Governance Statement</p>

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7.4	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.	<input checked="" type="checkbox"/> and we have disclosed whether we have any material exposure to environmental and social risks at: https://www.scee.com.au/investors/corporate-governance in our corporate governance statement	<input type="checkbox"/> set out in our Corporate Governance Statement

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PRINCIPLE 8 – REMUNERATE FAIRLY AND RESPONSIBLY			
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"/> [If the entity complies with paragraph (a):]</p> <p>and we have disclosed a copy of the charter of the committee at: https://www.scee.com.au/investors/corporate-governance</p> <p>and the information referred to in paragraphs (4) and (5) at: https://www.scee.com.au/investors/corporate-governance in our corporate governance statement</p>	<p><input type="checkbox"/> set out in our Corporate Governance Statement OR</p> <p><input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable</p>
8.2	A listed entity should separately disclose its policies and practices regarding the remuneration of non-executive directors and the remuneration of executive directors and other senior executives.	<p><input checked="" type="checkbox"/> 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: https://www.scee.com.au/investors/corporate-governance in our corporate governance statement</p>	<p><input type="checkbox"/> set out in our Corporate Governance Statement OR</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"/> and we have disclosed our policy on this issue or a summary of it at: https://www.scee.com.au/investors/corporate-governance in our corporate governance statement</p>	<p><input type="checkbox"/> set out in our Corporate Governance Statement OR</p> <p><input type="checkbox"/> we do not have an equity-based remuneration scheme and this recommendation is therefore not applicable OR</p> <p><input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable</p>

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ADDITIONAL RECOMMENDATIONS THAT APPLY ONLY IN CERTAIN CASES			
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 OR <input type="checkbox"/> we do not have a director in this position and this recommendation is therefore not applicable OR <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 type="checkbox"/>	<input type="checkbox"/> set out in our Corporate Governance Statement OR <input type="checkbox"/> we are established in Australia and this recommendation is therefore not applicable OR <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 type="checkbox"/>	<input type="checkbox"/> set out in our Corporate Governance Statement OR <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
ADDITIONAL DISCLOSURES APPLICABLE TO EXTERNALLY MANAGED LISTED ENTITIES			
-	<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

Corporate Governance Council recommendation		Where a box below is ticked, ⁴ 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: ⁵
-	<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><i>[insert location]</i></p>	<p><input type="checkbox"/> set out in our Corporate Governance Statement</p>

Corporate Governance Statement

For the year ended 30 June 2021



The Board of Directors of Southern Cross Electrical Engineering Limited ('SCEE' or 'the Company') is responsible for the corporate governance of the Company and accountable to the Company's shareholders.

This Corporate Governance Statement summarises SCEE's approach to corporate governance and its compliance with the ASX Corporate Governance Council's Principles and Recommendations ('ASX Principles') in the year ended 30 June 2021.

SCEE's corporate governance practices were in place throughout the year, unless otherwise stated.

The Corporate Governance Statement for the year ended 30 June 2021 was approved by the Board on 24 August 2021.

Principle 1: Lay solid foundations for management and oversight

Role of the Board

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

The Board operates under a Charter, a copy of which is available in the Corporate Governance Section of the Company's website.

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; and
- 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; and
- reporting to shareholders.

Board Committees

Whilst at all times the Board retains full responsibility for guiding and monitoring the company, in discharging its stewardship it makes use of sub-committees. Specialist committees are able to focus on a particular responsibility and provide informed feedback to the Board.

To this end the Board has established the following committees:

- Audit and Risk Management Committee; and
- Nomination and Remuneration Committee.

The roles and responsibilities of these committees are discussed in this Corporate Governance Statement at Principle 2, Principle 4, Principle 7 and Principle 8.

Corporate Governance Statement

For the year ended 30 June 2021



Role of Management

The responsibility for the operation and administration of the Company is delegated by the Board to the Managing Director 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 Managing Director and the executive management team.

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.

Appointment of Directors

Prior to appointing a director, 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.

Performance Evaluation

The Company has written agreements in place with each director and executive setting out the terms of their appointment and outlining the key roles and responsibilities.

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

A review of the performance of the Board and key executives was performed during the year.

Diversity

The Company is committed to being an equal opportunity employer, promoting and supporting a diverse workforce at all levels.

The Company has a formal Diversity Policy which encompasses ethnicity, gender, language, age, religion, socio-economic status, physical and mental ability, experience and education. A copy of the policy is available in the Corporate Governance Section of the Company's website.

The Board is committed to setting measurable objectives for maintaining a broad culture of diversity in our workplace. In this context, the Board does not consider it appropriate to disclose these objectives in respect of gender diversity, in keeping with the broad ambit of our Diversity Policy.

Nevertheless, gender representation statistics are provided, for information, in line with the Corporate Governance Council's Recommendations.

Corporate Governance Statement

For the year ended 30 June 2021



Gender representation in the Company as at 30 June 2021 was as follows:

	Female (%)	Male (%)
Board representation	0%	100%
Senior executive representation	6%	94%
Group representation	8%	92%

Senior executive representation is deemed to consist of group executives and business unit or functional managers.

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

Principle 2 – Structure the Board to be effective and add value

Board Composition

The members of the Board at the date of this Corporate Governance Statement are as follows:

Name	Status	Term in office
Derek Parkin	Independent Chairman	10 years, 6 years as Chairman
Graeme Dunn	Managing Director	5 years
Simon Buchhorn	Independent Non-Executive Director	6 years
Karl Paganin	Independent Non-Executive Director	6 years
David Hammond	Executive Director	4 years
Paul Chisholm	Non-Executive Director	Appointed December 2020

Details of all directors to have served during the year, their qualifications, the number of meetings of the Board held during the year and the attendees at those meetings can be found in the Directors' Report in the 2021 Annual Report.

Independence

The ASX Principles recommend that the majority of the Board of a listed entity should be independent.

The Company complied with this recommendation prior to the appointment of Mr Chisholm in December 2020 following the acquisition of Trivantage Holdings Pty Ltd ("Trivantage"). Mr Chisholm is not deemed to be independent as he was the Chairman of Trivantage prior to the acquisition by SCEE and as a significant vending shareholder of Trivantage retains a material personal interest in the deferred consideration associated with the acquisition. It is expected that Mr Chisholm will become independent during the 2024 financial year.

Mr Dunn and Mr Hammond are not deemed to be independent as they are executives of the Company.

As a result the Board currently comprises three independent and three non-independent directors. The Board considers that the composition of the Board is appropriate at the present time but continues to actively monitor this.

The Company complies with the ASX Principles recommendation that the Chairman of the Board is an independent director.

Corporate Governance Statement

For the year ended 30 June 2021



Nomination and Remuneration Committee

The Board has established a Nomination and Remuneration Committee to provide advice, recommendations and assistance to the Board in respect of the composition of the Board and the identification and appointment of directors and senior executives.

The Committee operates under a charter approved by the Board. The charter sets out the Committees roles and responsibilities and is available in the Corporate Governance Section of the Company's website.

The members of the Committee at the date of this report are as follows:

- Karl Paganin (Chairman)
- Derek Parkin
- Simon Buchhorn

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 Directors' Report in the 2021 Annual Report. All members of the Committee, including the Chairman, are independent non-executive directors.

Board 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 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	Financial and accounting; Legal; Corporate governance
Operational	Project delivery; Health and safety; Industrial relations; Human resources
Sector and geographical	Electrical and other contracting; Range of sectors; Domestic and international
Growth	Mergers and acquisitions; capital markets; business development

The Board will continue to monitor and evaluate the requirement for increased Independent representation and opportunities to add gender diversity to the Board.

The Company has a process in place for inducting new directors and provides opportunities for directors to develop and maintain the knowledge and skills necessary to perform their roles. Directors are given the chance to meet regularly with management of the Company and the Board operates an annual program of director site visits.

Corporate Governance Statement

For the year ended 30 June 2021



Principle 3 – Instil a culture of acting lawfully, ethically and responsibly

SCEE's values are integral to the organisation and act as internal drivers. They shape how we conduct our business on a daily basis and ultimately drive our success. These values are:

- Safety – It's in everything we do
- Quality – Exceeding customer expectations through continuous improvement
- Reliability – We are dependable and consistently deliver high quality services
- Trust – Entrust and empower our team to take ownership
- Loyalty – We believe in harmonious relationships and building these through integrity and mutual respect

The Company has a written Code of Conduct which sets ethical standards for the directors, senior executives and employees of the Company to ensure that their duties and responsibilities to the Company are performed with integrity.

The Company also has an Anti-bribery and Corruption policy and a Whistleblower policy.

Copies of all of these policies can be found in the Corporate Governance Section of the Company's website.

Principle 4 – Safeguard the integrity of corporate reports

Audit and Risk Management Committee

The Board has delegated responsibility for monitoring and reviewing the integrity of financial statement and the effectiveness of internal controls to an Audit and Risk Management Committee.

The Committee operates under a charter approved by the Board. The charter sets out the Committees roles and responsibilities and is available in the Corporate Governance Section of the Company's website.

The members of the Committee at the date of this report are as follows:

- Derek Parkin (Chairman)
- Simon Buchhorn
- Karl Paganin

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 Directors' Report in the 2021 Annual Report.

All members of the Audit and Risk Management Committee, including the Chairman, are independent non-executive directors.

Mr Parkin, who is the Committee Chairman, is also Chairman of the Board. As a result the company is not in compliance with the ASX Principle recommendation that the Chair of the Audit Committee is not the Chair of the Board. The Board acknowledges this non-compliance but believes that at the present time Mr Parkin is the most appropriate choice as Chair of the Committee given his extensive accounting and finance experience.

CEO and CFO Declaration

Prior to approving the financial statements of the Company the Board receives a declaration from the Chief Executive Officer 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.

Review of Periodic Reports

All periodic reports released to the market are subject to review and approval by the Board prior to release.

Corporate Governance Statement

For the year ended 30 June 2021



Principle 5 – Make timely and balanced disclosure

The Company is required to make timely and balanced disclosure of all matters concerning it that a reasonable person would expect to have a material effect on the price of its securities. This includes ensuring that any new or substantive investor presentations are released to the ASX prior to the presenting to investors or analysts.

The Company has a written Continuous Disclosure policy designed to ensure compliance with the ASX Listing Rules disclosure requirements and to ensure accountability at a senior executive level for that compliance.

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

Copies of all material market announcements made by the Company are circulated promptly to all directors where not already subject to board review prior to release.

Principle 6 – Respect the rights of security holders

The Company has a written Shareholder Communication Policy aimed at providing a framework for communications with shareholders. This includes providing an opportunity to ask questions of the Board at the Annual General Meeting where shareholder participation is encouraged. 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 half year and full year results briefings and meetings with investors and analysts.

All substantive resolutions at a meeting of shareholders are decided by a poll rather than 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.

Audit and Risk Management Committee

The Board has delegated responsibility for establishing and maintaining a risk management framework to the Audit and Risk Management Committee. The Committee reports periodically to the full Board. Further details of the Committee can be found in Principle 4 above.

Review of Risk Management Framework

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

The risk management framework is reviewed at least annually by the Audit and Risk Management Committee. The review performed in the current year considered the risk management framework to be appropriate at the present time.

Corporate Governance Statement

For the year ended 30 June 2021



Internal Audit

The Company outsources its internal audit function to an external party who performs the internal audit of key business areas on a rotational basis, typically with two or three areas audited every six months. The internal auditor reports their findings and recommendations to the Audit and Risk Committee.

Further, compliance with key processes including health and safety and the risk framework are audited periodically by the Company's quality assurance function.

Exposure to Material Environmental or Social Risk

The Company does not have any material exposure to environmental and social risks at the present time.

Principle 8 – Remunerate fairly and responsibility

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 2021 Annual Report.

The Company has a Securities Trading Policy 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 policy is available in the Corporate Governance Section of the Company's website.