

BOARD OF DIRECTORS

CHARTER

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1.0 PURPOSE

The key purpose of the Board of Monadelphous Group Limited (“The Board”) is to represent the shareholder’s interests in the direction and management of the Company.

This Board of Directors Charter (“Board Charter”) sets out the corporate governance framework by which this is to be achieved. The guiding principles are as follows:

- provide strategic guidance for the Company by influencing how the objectives of the Company are set and achieved.
- provide effective oversight of the management of the Company by influencing how risk is monitored and assessed, and how performance is optimised.
- clarify the respective roles and responsibilities of Board members and senior executives to facilitate Board and management accountability to both the Company and its shareholders.
- ensure a balance of authority so that no single individual has unfettered powers.

2.0 ROLE

The role of the Board is to include:

- oversight of the Company, including its control and accountability systems.
- appointing and removing the Chief Executive Officer.
- ratifying the appointment and, where appropriate, the removal of the Chief Financial Officer and the Company Secretary.
- input into and final approval of management’s development of corporate strategy and performance objectives.
- reviewing and ratifying systems of risk management and internal compliance and control, codes of conduct, and legal compliance.
- monitoring senior management’s performance and implementation of strategy.
- approving and monitoring the progress of major capital expenditure, capital management, and acquisitions and divestitures.
- approving and monitoring financial and other reporting.

3.0 STRUCTURE

3.1 The Board

- 3.1.1 The Board is to be structured in accordance with the Constitution of Monadelphous Group Limited (“the Constitution”) and is to consist of at least three members.

3.2 Chairman

- 3.2.1 The Chairman is responsible for:

- the leadership of the Board
- the efficient organisation and conduct of the Board’s function
- the briefing of the Directors in relation to issues arising at Board meetings.

3.2.2 The Chairman is to facilitate the effective contribution of the Directors, promote constructive input and respect the relations between Board members and between Board members and management.

3.2.3 The Chairman is to commit the time necessary to discharge the role effectively.

3.2.4 Where the Chairman is not an independent director, the company will appoint a lead independent director. The lead independent director will takeover the role of the Chairman when the Chairman is unable to act in that capacity as a result of his or her lack of independence.

3.3 **Managing Director and Chief Executive Officer**

3.3.1 The roles of Chairman and Chief Executive Officer are not to be exercised by the same individual.

3.3.2 The role of Chief Executive Officer shall be exercised by the Managing Director.

3.3.3 The Managing Director and Chief Executive Officer is to have a formal job description and letter of appointment describing their duties, rights and responsibilities, and entitlement on termination, and is to be appointed by the Board in accordance with the Constitution.

3.4 **Chief Financial Officer**

3.4.1 The Chief Financial Officer is to have a formal job description and letter of appointment describing their duties, rights and responsibilities, and entitlement on termination, and is to be appointed by the Board.

3.5 **Directors**

3.5.1 Each of the Directors is to have a formal job description and letter of appointment setting out the key terms and conditions relevant to their appointment.

3.5.2 The Board may, in accordance with the Constitution, appoint any person to be a Director, either to fill a casual vacancy or as an addition to the existing Directors.

3.6 **Alternate Director**

3.6.1 A Director with the approval of the Board, may appoint an Alternate Director in accordance with the Constitution.

3.7 **Nomination Committee**

- 3.7.1 The Board is to establish a Nomination Committee, which is to consist of a minimum of three members of the Board.
- 3.7.2 The Nomination Committee is to be chaired by the Chairman of the Board and is to be appointed by the Board.
- 3.7.3 The Board may determine the appointment of any member of the Nomination Committee at anytime.
- 3.7.4 The Nomination Committee is to have a charter that clearly sets out its roles and responsibilities, composition, structure and membership requirements, and is to be approved by the Board.

3.8 **Audit Committee**

- 3.8.1 The Board is to establish an Audit Committee, which is to consist of a minimum of three members, a majority of whom are non-executive directors.
- 3.8.2 The Audit Committee is to be chaired by an independent director, who is not the Chairman of the Board, and is to be appointed by the Board.
- 3.8.3 The Board may determine the appointment of any member of the Audit Committee at any time.
- 3.8.4 The Audit Committee is to have a charter that clearly sets out the roles and responsibilities, composition, structure and membership requirements, and is to be approved by the Board.

3.9 **Remuneration Committee**

- 3.9.1 The Board is to establish a Remuneration Committee, which is to consist of a minimum of three members.
- 3.9.2 The Remuneration Committee is to be chaired by the Chairman of the Board, or a Non-Executive Director if the Chairman is not deemed to be independent.
- 3.9.3 The Board may determine the appointment of any member of the Remuneration Committee at any time.
- 3.9.4 The Remuneration Committee is to have a charter that clearly sets out the roles and responsibilities, composition, structure and membership requirements, and is to be approved by the Board.

4.0 **MEETINGS**

- 4.1 The Board is to meet quarterly, to amongst other things, approve the financial accounts for subsequent publication and shall hold such additional meetings, as it deems necessary.
- 4.2 At a meeting of the Board, the number of Directors whose presence is necessary to constitute a quorum is to be in accordance with the Constitution.
- 4.3 Meetings are to be requested and convened in accordance with the Constitution.
- 4.4 The Board may invite such other parties to attend meetings as deemed appropriate.
- 4.5 The Company Secretary shall act as secretary for all meetings of the Board.

5.0 ACCESS TO INFORMATION AND INDEPENDENT ADVICE

- 5.1 The Board has the authority to seek any information it requires from any employee of the Company and all employees must comply with such requests.
- 5.2 The Board may take such independent legal, financial and other advice, as it considers necessary.

6.0 CODE OF CONDUCT

The Board is to establish a code on conduct to guide the Directors, the Manager Director, the Chief Financial Officer and other key executives as to:

- the practices necessary to maintain confidence in the company's integrity;
- the responsibility and accountability of individuals for reporting and investigating reports of unethical practices.

7.0 DISCLOSURE OF MATERIAL MATTERS

- 7.1 The Board is to promote timely and balanced disclosure of all material matters concerning the Company.
- 7.2 The Board is to establish written policies and procedures designed to ensure compliance with the ASX Listing Rule disclosure requirements.
- 7.3 The Board is to ensure accountability at a senior management level for that compliance.

8.0 THE RIGHTS OF SHAREHOLDERS

- 8.1 The Board is to respect the rights of shareholders and to facilitate the effective exercise of those rights.
- 8.2 The Board is to design and disclose a communication strategy to promote effective communication with shareholders and encourage effective participation at general meetings.

9.0 SELF ASSESSMENT

- 9.1 The Board is to assess its effectiveness periodically with a view to ensuring that its performance accords with Best Practice.
- 9.2 The Board Charter is to be reviewed annually and updated as required.

This Charter was approved, by way of a Resolution, in the Meeting of the Board dated 26th June 2008.



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Chairman of the Board