

Board Committee Charter

Risk and Assurance **Monadelphous Group Limited**

Division:
Engineering Construction
Maintenance and Industrial Services

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i. Company Definition

This document applies to all sites, employees and activities of Monadelphous Group Limited (herein referred to as The Company).

1 Purpose

The key purpose of the Board of Monadelphous Group Limited (“the Board”) is to represent the shareholders’ 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 leadership and 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 management 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 Role of the Board

The role of the Board includes:

- demonstrating leadership.
- defining the Company’s purpose and setting its strategic objectives.
- establishing and approving the Company’s values and code of conduct to underpin the Company’s desired culture.
- satisfying itself that the Company has in place an appropriate risk management framework (for both financial and non-financial risks).
- setting the risk appetite within which the Board expects management to operate.
- satisfying itself that an appropriate framework exists for relevant information to be reported by management to the Board.
- whenever required, challenging management and holding it to account.
- contributing to and approval of the Company’s performance objectives and annual budget.
- approving and monitoring the progress of major capital expenditure, capital management, and acquisitions and divestitures.
- overseeing the Company’s performance against its financial and other objectives.
- appointing and removing the Chair, Lead Independent Director and other Directors.
- appointing and removing the Chief Executive Officer.
- ratifying the appointment and, where appropriate, the removal of the Chief Financial Officer, the Company Secretary and other senior executives.
- monitoring senior management’s performance and implementation of strategy.
- satisfying itself that the Company’s remuneration policies are aligned with the Company’s purpose, values, strategic objectives and risk appetite.
- overseeing the integrity of the Company’s accounting and corporate reporting systems, including the external audit process.
- approving and monitoring financial and other reporting, including the annual report, half year financial statements and all associated reporting.
- overseeing the Company’s continuous disclosure process to ensure 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.
- monitoring the effectiveness of the Company’s governance practices.
- overseeing the Company’s insurance program, having regard to the business undertaken by the Company and the insurable risks within the business.

- approving the Company's dividend policy and authorising payment of dividends.
- setting measurable objectives for achieving gender diversity in the composition of the Board, senior executives and workforce generally, and assessing annually both the objectives and the Company's progress towards achieving them.
- representing the best interests of the Company and its security holders as a whole.

In those instances where the Board is not satisfied that a requirement has been met, it shall take prompt corrective action.

3 Role of Management

The role of management includes:

- implementing the Company's strategic objectives.
- instilling and reinforcing the Company's values, all while operating within the values, code of conduct, budget and risk appetite set by the Board.
- designing and implementing the risk management framework for the Company.
- providing the Board with accurate, timely and clear information on the Company's operations to enable the Board to perform its responsibilities. This is not just limited to information about financial performance, but also the Company's compliance with material legal and regulatory requirements and any conduct that is materially inconsistent with the values or code of conduct of the Company.

4 Structure

The Board

- 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, the majority of whom are to be independent Directors, and no more than 10 members, or such lesser number as the Directors determine provided that the number so determined is not less than the number of Directors when the determination takes effect.
- The Board should collectively have the skills, commitment and knowledge of the Company and the industry in which it operates, to enable it to discharge its duties effectively and to add value.

Chairman

- The Chairman is responsible for:
 - the leadership of the Board
 - the efficient organisation and conduct of the Board's function; and
 - the briefing of the Directors in relation to issues arising at Board meetings.
- The Chairman is to facilitate the effective contribution of all Directors, promote constructive and respectful relations between Directors and between the Board and management.
- The Chairman is to commit the time necessary to discharge the role effectively.
- The Chairman is responsible for approving Board meeting agendas and ensuring adequate time is available for discussion of all agenda items, including strategic issues.
- Where the Chairman is not an independent director, the Company will appoint a lead independent director. The lead independent director will take over 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. The lead independent director will also be responsible for the performance evaluation of the Chairman, after having canvassed the views of the other directors.

Managing Director and Chief Executive Officer

- The roles of Chairman and Chief Executive Officer are not to be exercised by the same individual.
- The role of Chief Executive Officer shall be exercised by the Managing Director.
- 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.

Chief Financial Officer

- 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.

Company Secretary

- The Company Secretary 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.
- The Company Secretary is responsible for:
 - advising the Board and its committees on governance matters;
 - monitoring that Board and committee policy and procedures are followed;
 - coordinating the timely completion and despatch of Board and committee papers;
 - ensuring that the business at Board and committee meetings is accurately captured in the minutes; and
 - helping to organise and facilitate the induction and professional development of directors.
- The Company Secretary is to be accountable directly to the Board, through the Chairman, on all matters to do with the proper functioning of the Board.
- Each of the Directors may communicate directly with the Company Secretary and vice versa.

Directors

- 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.
- 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. The Director holds office until the next annual general meeting and is then eligible for re-election.

Alternate Director

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

Nomination Committee

- The Board is to establish a Nomination Committee, which is to consist of a minimum of three members of the Board, a majority of whom are independent Directors.
- The Nomination Committee is to be chaired by the Chairman of the Board and is to be appointed by the Board.
- The Board may determine the appointment of any member of the Nomination Committee at any time.
- 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.

Audit Committee

- The Board is to establish an Audit Committee, which is to consist of a minimum of three members, all of whom are non-executive directors and a majority of whom are independent directors.
- 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.
- The Board may determine the appointment of any member of the Audit Committee at any time.
- 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.

Remuneration Committee

- The Board is to establish a Remuneration Committee, which is to consist of a minimum of three members, all of whom are non-executive Directors and the majority of whom are independent Directors.
- The Remuneration Committee is to be chaired by an independent Director.
- The Board may determine the appointment of any member of the Remuneration Committee at any time.
- 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.

Board Sub Committees

- Board Sub Committees may make recommendations to the Board for approval but shall not have an executive role, unless otherwise approved by the Board. However, the Board may delegate some decision making authority to the Sub Committees.

5 Meetings

- The Board is to meet at least quarterly, in order to, amongst other things, approve the financial accounts for subsequent publication, and shall hold additional meetings, as it deems necessary.
- 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.
- Meetings are to be requested and convened in accordance with the Constitution.
- The Board may invite such other parties to attend meetings as deemed appropriate.
- The Company Secretary shall act as secretary for all meetings of the Board.

6 Access to Information and Independent Advice

- The Board members have the authority to seek any information they reasonably require from any employee of the Company, as considered necessary to discharge their responsibilities as Board members, and all employees must comply with such requests.
- The Board members may take independent legal, financial and other advice, as they consider necessary. The cost of the advice shall be borne by the Company, subject to the prior approval of the Chairman.

7 Code of Conduct

The Board is to establish a code of 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; and
- The responsibility and accountability of individuals for reporting and investigating reports of unethical practices.

8 Disclosure of Material Matters

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

9 The Rights of Shareholders

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

10 Self Assessment

- The Board is to assess its effectiveness regularly, and at least annually, with a view to ensuring that its performance accords with Best Practice.
- 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 11 June 2020.



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Chairman of the Board