

# Board Charter

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## Board Charter

### Purpose of this Charter

This Charter sets out the functions and responsibilities of the Board of Engenco Ltd (Engenco) within the governance structure of Engenco and its wholly owned entities (the Engenco Group).

### Functions of the Board

The Board is accountable to shareholders for the performance of Engenco and as such has a responsibility to provide leadership, governance and strategic guidance for Engenco. In performing its role the Board shall act in the best interests of the Engenco Group and its businesses.

### Responsibilities of the Board

- Reviewing and approving corporate strategies, the annual budget and financial plans;
- overseeing and monitoring organisational performance and the achievement of the Engenco Group's strategic goals and objectives;
- determining dividend policy and the amount, nature and timing of any dividends to be paid;
- reviewing and, as appropriate, endorsing recommendations from the Audit Committee in respect of the selection and continued engagement of the external auditor;
- monitoring financial performance and liaising with the Engenco Group's external auditor, as appropriate;
- selecting, appointing and determining the terms of appointment of the Chief Executive Officer (CEO) and his/her direct reports and the Company Secretary (Group executives) and monitoring the performance of the Group executives;
- reviewing succession plans for the CEO and Group executives;
- overseeing the effectiveness of management processes and approving major corporate initiatives;
- overseeing the processes for identifying significant financial, legal and business risks facing the Engenco Group and reviewing reports and recommendations submitted by the Audit Committee;
- reviewing and overseeing systems of risk management and internal control and legal compliance in association with the Audit Committee;
- overseeing the processes for identifying significant risks facing the Engenco Group and that appropriate and adequate control, monitoring and reporting mechanisms are in place;
- considering the social, ethical and environmental impact of the Group's activities; and
- reporting to, and communicating with, shareholders.

### Delegations

The Board may from time to time establish Committees, financial delegations and/or delegate management responsibility to the CEO as it considers appropriate, in order to streamline the discharge of its responsibilities.

The following standing Committees have been established:

1. Audit Committee

The Board has established an Audit Committee to represent and assist the Board in relation to:

- external audit management;
- the identification and management of financial and other business risks and the development of recommendations for strategically addressing the identified risks; and
- to ensure that appropriate and adequate financial control, monitoring and reporting mechanisms are in place, and to advise the Board on specific matters set out in the charter of that Committee, including;
- oversight of the assessment and management of material business risks, reviewing the risk management policies and disclosure requirements relating to risk management;
- development and implementation of a Risk Management Framework, including approving an annual risk profile report and strategies to eliminate or mitigate perceived risks; and

- reviewing the effectiveness of the Risk Management Framework, including the Group's internal compliance and control policies and procedures.

#### CEO & Management Delegation

The Board delegates the responsibility for the day-to-day management of the Group to the CEO who is assisted by the Chief Financial Officer (CFO).

The CEO is responsible for the development of strategic objectives for the business and the achievement of the planned results for the Engenco Group.

Management of the Group's day-to-day operations is undertaken by the CEO subject to specified delegations of authority approved by the Board.

The CEO must consult with the Board on any matters which the CEO considers are of such a sensitive, extraordinary or strategic nature as to warrant the attention of the Board regardless of value.

### **Board Composition**

The size and composition of the Board will be determined in accordance with Engenco's constitution.

### **Role of the Chairman**

The Board will appoint one of its members to be the Chairman in accordance with Engenco's constitution.

The Chairman represents the Board to the shareholders and is responsible for:

- leading the Board in its duties to the Engenco Group;
- oversight of the processes and procedures in place to evaluate the performance of the Board, its committees and individual directors;
- maintaining a regular dialogue and mentoring relationship with the Chairpersons of the Committees, CEO and Senior Executives; and
- facilitating effective discussions at Board meetings.

### **Role of the Company Secretary**

The Board will appoint at least one Company Secretary who supports the Board, through the Chair, and is responsible for:

- organising Board meetings;
- preparing agendas and minutes;
- preparing Board packs;
- organising Directors' attendances;
- providing a point of reference for all dealings between Board and Management;
- communication with regulatory bodies and the ASX; and
- attending to all statutory and other filings, as well as ensuring compliance with the statutory requirements of the Corporations Act, the ASX Listing Rules and other regulatory bodies.

Appointment and removal of a Company Secretary is subject to Board approval.

### **Access to Independent Advice**

Directors may obtain independent professional advice at Engenco's expense on matters arising in the course of their Board and Committee duties, after obtaining the Chairman's approval, or in the case of the Chairman, after obtaining the approval of two other Engenco directors. A copy of any such advice must be provided to the other directors and they must also be advised if Engenco's approval to meet any such expenses has been refused.

### **Induction Program**

Upon his or her election, each Board member shall participate in an induction program that covers the Group's strategy, general financial and legal affairs, financial reporting and any specific aspects unique to the Company and the responsibilities of a Board member. Subject to receiving the Chairman's prior approval, the reasonable costs of any induction program or ongoing training will be at the Company's expense.

## **Evaluating Performance**

The Board will undertake an annual assessment of its performance, including its performance against the requirements of this Charter and the performance of individual Committees.

Following each assessment, the Board will consider what, if any, actions need to be taken to improve its performance.

## **Review**

The Board will review this Charter every two years to keep it up to date and consistent with the Board's objectives and responsibilities.

## **Publication**

A copy of this Charter, and the charter of the Audit Committee, are available from the Engenco website: [www.engenco.com.au](http://www.engenco.com.au)