



Board Charter

Emeco Holdings Limited

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1 Role of the Board

- 1.1 This charter sets out the principles for the operation of the board of directors (**Board**) of Emeco Holdings Limited (**Emeco**) and describes the functions of the Board.
- 1.2 The Board is accountable to shareholders for the performance of Emeco. The Board must at all times act honestly, fairly and diligently in all respects in accordance with the law applicable to Emeco and must act in the best interests of the Emeco shareholders and other stakeholders.
- 1.3 The Board considers that good corporate governance can contribute to the performance of Emeco, the creation of shareholder value, and overall confidence of the investment market.

2 Responsibilities of the Board

In addition to matters required by law to be approved by the Board, the below matters are reserved to the Board.

Strategic and financial performance

- 2.1 Approving corporate strategy and objectives, reviewing the strategic environment and key business risks and opportunities, and monitoring performance in delivery of strategy and objectives.
- 2.2 Evaluating, approving and monitoring Emeco's annual budgets and financial and business plans and objectives.
- 2.3 Monitoring and assessing management's performance in achieving objectives and observing budgets approved by the Board.
- 2.4 Evaluating, approving and monitoring major capital expenditure, capital management and all major acquisitions, divestitures and other corporate transactions, including the issue of new securities.
- 2.5 Overseeing the integrity of Emeco's accounting and corporate reporting systems and financial reports with the advice and assistance of the audit and risk management committee.
- 2.6 Approving and monitoring delegations of authority, including financial authority limits.
- 2.7 Determining Emeco's dividend policy, the operation of Emeco's dividend re-investment plan, and the amount and timing of all dividends.

Executive management

- 2.8 Appointing, monitoring, managing the performance of the Managing Director and Chief Executive Officer.
- 2.9 Managing succession planning for the Managing Director and Chief Executive Officer and such other key management positions which may be identified from time to time.
- 2.10 With the advice and assistance of the remuneration and nomination committee, reviewing and approving the performance and remuneration of the individual Board members and policies with respect to remuneration of employees, taking into account matters including the Company's strategic objectives and values.
- 2.11 Appointing the Company Secretary.

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Audit and risk management

- 2.12 With the recommendation of the audit and risk management committee, appointing the external auditor and determining its remuneration and terms of appointment.
- 2.13 Ensuring that effective audit, risk management and regulatory compliance programmes are in place to protect Emeco's assets and shareholder value.
- 2.14 Ensuring Emeco has an appropriate risk and audit framework in place for both financial and non-financial risks, including (but not limited to) systems of risk management and internal control.
- 2.15 Approving and, with the assistance and advice of the audit and risk management committee, monitoring compliance with Emeco's risk and audit policies and protocols.
- 2.16 Monitoring Emeco's operations in relation to, and compliance with, relevant regulatory and legal requirements.

Corporate governance

- 2.17 At least once per year the Board will, with the assistance and advice of its committees, review the performance and effectiveness of Emeco's corporate governance policies and procedures due for renewal and, if appropriate, amend those policies and procedures.
- 2.18 The Board will review and approve all disclosures related to any departures from the recommendations contained in the ASX Corporate Governance Council's 'Corporate Governance Principles and Recommendations'.
- 2.19 The Board will review and approve the public disclosure of any of Emeco's policies and procedures.
- 2.20 The Board will supervise the public disclosure of all matters that the law and the listing rules of the Australian Securities Exchange (**ASX Listing Rules**) require to be publicly disclosed, consistent with the continuous disclosure policy approved by the Board.

Performance evaluation

- 2.21 At least once per year the Board will, with the advice and assistance of the remuneration and nomination committee, review and evaluate the performance of the Board, each Board committee, and each individual director. Following each review and evaluation, the Board will consider how to improve its performance.
- 2.22 With the advice and assistance of the remuneration and nomination committee, the Board will review and approve the remuneration of Emeco's executive and non-executive directors.

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3 Board and senior executive relationships

- 3.1 With the exception of the responsibilities identified in section 2 above which the Board has reserved for itself, and subject to any particular financial or operational limits imposed by the Board, the Board delegates to the Managing Director and Chief Executive Officer all authority to manage the day to day affairs of Emeco.
- 3.2 The Managing Director and Chief Executive Officer is accountable to the Board for the performance of Emeco, the implementation of strategic and financial plans, the amount and type of risk assumed by the business and the achievement of strategic and financial objectives, whilst instilling and reinforcing Emeco's values and Code of Conduct.
- 3.3 The Managing Director and Chief Executive Officer will ensure that the Board and its committees are provided with accurate, timely and concise information which is sufficient to enable them to discharge their duties and responsibilities effectively.
- 3.4 The Board is responsible for satisfying itself that an appropriate framework exists for relevant information to be reported by management to the Board.

4 Structure of the Board

Overview

- 4.1 The Board, with the recommendation of the remuneration and nomination committee, determines the size and composition of the Board subject to the terms of Emeco's constitution (**Constitution**). The continued tenure of each individual director is subject to re-election from time to time, in accordance with the Constitution.
- 4.2 It is intended that the Board should comprise a mix of executive and non-executive directors, and comprise directors with a broad range of skills, expertise, and experience from a diverse range of backgrounds.
- 4.3 The Board periodically reviews the composition of the Board to satisfy itself that the pool of skills provided by its current composition is appropriate.
- 4.4 The directors appoint the chair and deputy chair (if any) of the Board.

Criteria for an 'independent' director

- 4.5 In assessing the independence of a director, the Board will consider whether the director is free from any interest and any business or other relationship which could, or could reasonably be perceived to, materially interfere with the director's ability to act in the best interests of Emeco as a whole.
- 4.6 Examples of circumstances that might raise issues about the independence of a director include where the director:
- (a) is a substantial shareholder of Emeco (that is, holds 10% or more of the issued shares of Emeco) or an officer of, or otherwise associated directly with, a substantial shareholder of Emeco;
 - (b) receives performance-based remuneration (including options or performance rights) from, or participates in an employee incentive scheme of, Emeco;

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- (c) within the last three years has been employed in an executive capacity by Emeco or a subsidiary of Emeco (**Emeco Group Company**), or been a director after ceasing to hold any such employment;
- (d) within the last three years has been a principal of a material professional adviser or a material consultant to Emeco or an Emeco Group Company, or an employee materially associated with the service provided;
- (e) is a material supplier or customer of Emeco or an Emeco Group Company, or an officer of or otherwise associated directly or indirectly with a material supplier or customer;
- (f) has a material contractual relationship with Emeco or an Emeco Group Company other than as a director of Emeco; or
- (g) has served on the Board for a period which could, or could reasonably be perceived to, materially interfere with the director's ability to act in the best interests of Emeco.

4.7 In each case, the materiality of the interest, position or relationship will be assessed by the Board.

4.8 Close personal ties and cross-directorships may be relevant in considering interests and relationships which may compromise independence, and should be disclosed by directors to the Board.

Directors' responsibilities

4.9 Each director is bound by all Emeco's charters, policies and codes of conduct, including the:

- (a) code of conduct;
- (b) share trading policy;
- (c) continuous disclosure policy; and
- (d) anti-bribery and corruption policy.

4.10 The directors of Emeco must:

- (a) conduct their duties at the highest level of honesty and integrity;
- (b) observe both the rule and spirit of the law, and comply with any relevant ethical and technical standards;
- (c) maintain the confidentiality of all information acquired in the course of conducting their role and not make improper use of, or disclose to third parties, any confidential information unless that disclosure has been authorised by the Board, or is required by law or by the ASX Listing Rules;
- (d) observe the principles of independence, accuracy and integrity in dealings with the Board, its committees, internal and external auditors and senior management within Emeco;
- (e) disclose to the Board any actual or perceived conflicts of interest, whether of a direct or indirect nature, of which the director becomes aware and which the director reasonably believes may compromise the reputation or performance of Emeco;
- (f) set a standard of honesty, fairness, integrity, diligence and competency in respect of the position of director; and

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- (g) provide leadership in encouraging a culture that promotes ethical and responsible decision-making, compliance with legal responsibilities, and transparency through effective and timely reporting.

5 Role of the Chair

Role of the Chair

- 5.1 The Board will appoint one of its independent non-executive directors as Chair. Any Chair of Emeco will be selected on the basis of relevant experience, skill, judgement and leadership abilities to contribute to the effective direction of Emeco.

Specific duties of the Chair

- 5.2 The Chair will:
- (a) chair board meetings;
 - (b) establish the agenda for Board meetings, in consultation with the Managing Director and Chief Executive Officer and the Company Secretary;
 - (c) chair meetings of shareholders, including the annual general meeting of Emeco;
 - (d) be the primary spokesperson for Emeco at the annual general meeting;
 - (e) represent the views of the Board to shareholders, the general public, governmental authorities, regulators and other stakeholders; and
 - (f) develop and maintain key strategic relationships.

6 Company Secretary

- 6.1 The Company Secretary is accountable to the Board, through the Chair, on all matters to do with the proper functioning of the Board and is responsible for ensuring that governance matters are addressed by the Company and its Australian subsidiaries. Particular responsibilities include:
- (a) monitoring that Board and committee policy and procedures are followed;
 - (b) coordinating the timely completion and despatch of Board and committee papers;
 - (c) ensuring that the business at Board and committee meetings are accurately captured in the minutes;
 - (d) meeting statutory reporting and record-keeping requirements in accordance with relevant legislation; and
 - (e) helping to organise and facilitate the induction and professional development of directors.

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7 Confidential information and external communication

The Board has established the following principles to apply in respect of information of Emeco:

- 7.1 Generally, the Chair or the Managing Director and Chief Executive Officer will speak for Emeco. Individual Board members are expected not to communicate on behalf of the Board or Emeco without prior consultation with the Chair.
- 7.2 All disclosures of information to a shareholder which is not disclosed to the market must be approved under Emeco's continuous disclosure policy and must comply with the ASX Listing Rules.
- 7.3 All directors are required to keep all information provided to them in their capacity as a director confidential.

8 Conflicts of interest

- 8.1 Emeco directors are required to act in a manner which is consistent with the best interests of Emeco as a whole free of any actual or possible conflicts of interest.
- 8.2 If a director considers that he or she might be in a position where there is a reasonable possibility of conflict between his or her personal or business interests, the interests of any associated person, or his or her duties to any other company, on the one hand, and the interests of Emeco or his or her duties to Emeco, on the other hand, the Board requires that the director:
 - (a) fully and frankly informs the Board about the circumstances giving rise to the conflict; and
 - (b) abstains from voting on any motion relating to the matter and absents himself or herself from all Board deliberations relating to the matter, including receipt of Board papers bearing on the matter.
- 8.3 If a director believes that he or she may have a conflict of interest or duty in relation to a particular matter, the director should immediately consult with the Chair.
- 8.4 In respect to the Chair having a potential conflict of interest, the Chair shall consult the chair of the audit and risk management committee.

9 Related party transactions

The Board has delegated to the audit and risk management committee responsibility for reviewing and monitoring related party transactions and investments involving Emeco and its directors.

10 Meetings

Overview

- 10.1 The Board will meet not less than 6 times formally per annum and as frequently as may otherwise be required to deal with urgent matters.
- 10.2 A meeting of the Board will be convened by the Chair, although under the Constitution a meeting may be called by any director.

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- 10.3 All directors are expected to diligently prepare for, attend, and participate in all Board meetings. At a minimum, a quorum of directors under the Constitution is two. Meetings of the Board may be held or participated in by conference call or similar means. Resolutions of the Board may be passed by circular resolution or in writing in accordance with the Constitution.
- 10.4 The Chair in conjunction with the Company Secretary should ensure the availability and, if necessary, the attendance at the relevant Board meeting, of any member of Emeco's executive management responsible for a matter included as an agenda item at the relevant meeting.

Agenda

- 10.5 An agenda will be prepared for each meeting of the Board and its committees.
- 10.6 The following items will be standing items on the agenda unless otherwise determined by the Chair:
- (a) approval of minutes of previous meeting;
 - (b) report by the relevant executive officers;
 - (c) report of the audit and risk management committee;
 - (d) report of the remuneration and nomination committee; and
 - (e) health and safety report.

11 Board committees

- 11.1 In order to fulfil its duties, the Board has established the following committees:
- (a) the audit and risk management committee, which is responsible for monitoring and advising the Board on Emeco's audit, risk management and regulatory compliance policies and procedures; and
 - (b) the remuneration and nomination committee, which is responsible for overseeing the remuneration and human resources policies and practices of Emeco, advising the Board on the composition of the Board and its committees, reviewing the performance of the Board, its committees and the individual directors.
- 11.2 Although the Board may delegate powers and responsibilities to these committees, the Board retains ultimate accountability for discharging its duties.
- 11.3 The composition of the membership, including the chair, of each of these committees will be as determined by the Board from time to time, subject to:
- (a) the composition of the audit and risk management committee, which will comprise at least 3 non-executive directors, the majority of whom should be independent; and
 - (b) where the charter of a particular committee contains specific requirements as to its composition.
- 11.4 The Board will consider and approve the charters of the various committees. These charters will identify the areas in which the Board will be assisted by each committee.

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12 Independent advice

- 12.1 A director of Emeco is entitled to seek independent professional advice (including, but not limited to, legal, accounting and financial advice) at Emeco's expense on any matter connected with the discharge of his or her responsibilities, in accordance with the procedures and subject to the conditions set out below:
- (a) A director must seek the prior approval of the Chair.
 - (b) In seeking the prior approval of the Chair, the director must provide the Chair with details of:
 - (i) the nature of the independent professional advice;
 - (ii) the likely cost of seeking the independent professional advice; and
 - (iii) details of the independent adviser he or she proposes to instruct.
 - (c) The Chair may set a reasonable limit on the amount that Emeco will contribute towards the cost of obtaining such advice.
 - (d) All documentation containing or seeking independent professional advice must clearly state that the advice is sought both in relation to Emeco and the director in his or her personal capacity. However, the right to advice does not extend to advice concerning matters of a personal or private nature, including for example, matters relating to the director's contract of employment with Emeco (in the case of an executive director) or any dispute between the director and Emeco.
 - (e) The Chair may determine that any advice received by an individual director will be circulated to the remainder of the Board.
- 12.2 All directors are entitled to the benefit of Emeco's standard deed of access, indemnity and insurance which provides ongoing access to Board papers and, at Emeco's expense, directors and officers insurance for seven years after the director leaves the Board.

13 Revisions of this charter

Revisions to this charter must be approved by the Board.

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