

# CIMIC BOARD CHARTER

## 1.0 INTRODUCTION

### *Purpose and Context*

**1.1** The purpose of this Charter is to describe the role, authority, responsibilities, membership and operation of the Board and the interaction between the Board and management.

### *Authority*

**1.2** In exercising its role and responsibilities, the Board and each Director will at all times have regard to the Constitution and the Group's frameworks, policies, codes, standards, rules and processes, the Corporations Act, and all other applicable laws.

## 2.0 INTERPRETATION

**Board** means the board of Directors of CIMIC.

**Board Committee** means a committee of Directors established by the Board.

**CEO** means the Chief Executive Officer of CIMIC, or any person performing the equivalent role.

**CFO** means the Chief Financial Officer of CIMIC, or any person performing the equivalent role.

**CIMIC or the Company** means CIMIC Group Limited (ACN 004 482 982).

**Company Secretary** means the Company Secretary of CIMIC.

**Constitution** means the constitution of CIMIC, as amended from time to time.

**Corporations Act** means the Corporations Act 2001 (Cth), as amended from time to time.

**Director** means a person appointed as a director of the Board and includes any duly appointed alternate director.

**Executive Director** has the meaning given under the Constitution .

**Group** means CIMIC and its subsidiaries and controlled entities.

**Group Executive** means a member of the Group executive team (as defined from time to time) and includes a Managing Director and all other executives reporting directly to the CEO but excludes the CEO.

**Independent Director** means a Director who the Board considers to be independent in accordance with the definition of independent director adopted by the Board.

**Key Management Personnel or KMP** has the meaning given in section 9 of the Corporations Act.

**OpCo Managing Director** means the person appointed as the Managing Director of a Group operating company.

**Non-executive Director** is a Director who is not an Executive Director.

## **3.0 ROLE AND RESPONSIBILITIES OF THE BOARD**

### ***Role of the Board***

**3.1** The Board is responsible for the overall strategy, governance and performance of CIMIC.

### **Reserved Authorities and Key Responsibilities**

**3.2** The following matters are specifically reserved for consideration and approval by the Board:

- (a) appointment and removal of the Chair;
- (b) appointment, removal, remuneration, succession planning and evaluation of performance of the CEO;
- (c) remuneration of Non-executive Directors, within the limits approved by shareholders;
- (d) appointment of Directors to fill a vacancy or as an additional Director;
- (e) establishment of Board Committees, their membership, remuneration and delegated authorities;
- (f) dividend policy and the amount, nature and timing of dividends to be paid;
- (g) quarterly, half-year and annual financial disclosures;
- (h) the integrity of financial reports and statements;
- (i) the effectiveness of internal financial control systems;
- (j) the review of the framework to identify and manage tax risk;
- (k) the internal audit function and integrity of process;
- (l) the Group's corporate strategy and direction;
- (m) the Group's risk profile;
- (n) the effectiveness of risk management systems and management of material risks;
- (o) the external audit function and integrity of process;
- (p) delegation of authority from the Board to the CEO;
- (q) capital expenditure, acquisitions and divestitures in excess of authority level delegated to management;
- (r) calling of meetings of members in accordance with the Corporations Act;
- (s) approving the Group's key governance policies including the Group's Code of Conduct; and
- (t) any other specific matters nominated by the Board from time to time.

**3.3** In carrying out its responsibilities and functions, the Board may delegate matters (other than those set out in section 3.2 above), to a Board Committee, a Director, the CEO, or other person.

### ***Chair***

**3.4** Subject to the Constitution, the Board shall appoint one of the Directors as Chair and may determine the period for which he or she holds office. The Board may appoint one or more of the Directors as Deputy Chair to act as Chair when the Chair is otherwise unavailable.

**3.5** The role of the Chair includes:

- (a) providing leadership to the Board in relation to all Board matters;
- (b) acting as a conduit between management and the Board;
- (c) representing the views of the Board and CIMIC to shareholders;
- (d) overseeing Board performance, appraisal and succession;
- (e) guiding the Board agenda and conducting all Board meetings;
- (f) overseeing and conducting CIMIC's shareholder meetings; and
- (g) in conjunction with the Company Secretary, ensuring that Board meetings are held in accordance with section 7.

## **4.0 DELEGATIONS TO BOARD COMMITTEES AND TO MANAGEMENT**

### ***Delegation to Board Committees***

**4.1** The Board may establish Board Committees to discharge its responsibilities. The Board shall adopt a formal charter for each Board Committee setting out the matters relevant to the composition and operation of such Committees.

**4.2** The Board has established the following as standing Board Committees:

(a) Ethics, Compliance and Sustainability Committee; and

**4.3** The composition of each Board Committee is set out in its charter.

**4.4** In determining Board Committee membership, consideration will be given to ensuring that the committee remains appropriately resourced so that a quorum is available at all times to enable the committee to meet as often as necessary to fulfil its duties.

**4.5** The Board may also delegate specific functions to ad hoc committees on an 'as needs' basis. The matters delegated to these committees shall be set out in the relevant Board resolution constituting the committee.

### ***Delegation to the CEO***

**4.6** The Board delegates responsibility for the day-to-day management of CIMIC to the CEO. The CEO is responsible for developing, presenting and proposing the strategic direction for the business and the achievement of the strategic and business objectives for the Group. The CEO is accountable to the Chairman and the Board for the management of the Group.

**4.7** The CEO is authorised to delegate authority to members of management for specific activities and transactions.

**4.8** The CEO:

- (a) is responsible for the selection, appointment, performance evaluation and removal of all Key Management Personnel and Group Executives;
- (b) will consider and approve the remuneration for any KMP and Group Executives;
- (c) will review and approve the application of any Group incentive plan or scheme to any KMP and Group Executives, and any awards or payments to those individuals under such Group incentive plan or scheme; and
- (d) is responsible for consideration of KMP and Group Executive development and succession.

**4.9** The Board shall review the functions delegated to the CEO to seek to ensure that the division of responsibilities between the Board and management remains appropriate to the needs of the Group.

## **5.0 BOARD COMPOSITION**

### ***Composition appointment and Size***

**5.1** The number of members of the Board will be determined in accordance with the Constitution.

**5.2** The Board should have a mix of Directors with a broad range of skills, expertise and experience from a diverse range of backgrounds.

**5.3** The Board is responsible for the appointment of Directors to fill casual vacancies and making recommendations to CIMIC's parent company for the election or removal of Directors in accordance with the Constitution.

**5.4** The terms of engagement of Non-executive Directors shall be set out in their letters of appointment.

### ***Independence***

**5.5** The Board assesses the independence of Non-executive Directors upon appointment. The Board will review the independence of each Non-executive Director as required in light of information relevant to this assessment as disclosed by each Non-executive Director.

**5.6** When appointing an Independent Director or reviewing the independence of its Directors, the Board will have regard to the definition of 'independent director' that the Board has adopted and any factors relevant to assessing the independence of a director.

## **6.0 DIRECTORS' DUTIES AND CONDUCT**

**6.1** All Directors are required to act in the best interests of CIMIC and to exercise unfettered judgement. Each Director will uphold CIMIC's values and is bound by the Code of Conduct and other CIMIC policies applying to them.

**6.2** Directors must take all reasonable steps to avoid any conflict of interest and may not take any decision or cause any action to be taken that has (or may be perceived to have) the effect of placing their personal interests over the interests of CIMIC. The Company Secretary will maintain a register of declarations of interest by Directors and report them to the Board as necessary.

**6.3** All non-public information received by Directors during their appointment shall be kept confidential and must not be used, communicated to third parties or released (other than by compulsion of law) without the prior approval of the Chair or the Board.

### ***Access to Records and Independent Advice***

**6.4** **Non-executive** directors shall have access to CIMIC's records and information in accordance with legal and contractual rights and shall receive financial information and operational reports concerning the Group.

**6.5** The Board or any non-executive Director in consultation with the Chair may seek independent professional advice when reasonable (at CIMIC's expense) to assist in properly exercising their powers and discharging their duties as Directors or as members of Board Committees.

## **7.0 PROCEEDINGS**

### ***Frequency***

**7.1** Board meetings will be held as considered necessary to enable Directors to fulfil their duties and responsibilities to CIMIC.

**7.2** In addition to the scheduled meetings, any Director may, at any time, and the Secretary must on the request of a Board member, call a meeting of the Board.

**7.3** The Constitution governs the regulation of Board meetings and proceedings.

### ***Notice***

**7.4** The date, time and venue of each meeting of the Board will be notified by the Secretary to all Directors as far in advance as practicable.

### ***Board papers***

**7.5** Board papers will be made available by the Secretary to all Directors as far in advance as practicable.

**7.6** All Directors are entitled to receive all documentation presented to the Board unless a Director is precluded from receiving some or all of the documents.

### ***Attendance***

**7.7** Directors may attend Board meetings in person, by telephone or by other electronic means. Directors may attend through an alternate where one has been appointed in accordance with the Constitution.

**7.8** The Board or the Chair may extend an invitation to any person relevant to the matters before the Board to attend all or part of any meeting of the Board when considered appropriate.

**7.9** The Chair may request that any person in attendance at a meeting not be present for part of the meeting where appropriate, including where a person declares a conflict of interest.

### ***Quorum***

**7.10** The quorum requirements for a Board meeting are provided for in the Constitution.

### ***Constitution***

**7.11** The proceedings of the Board will be governed by the provisions in the Constitution and this Charter, in so far as they may be applicable.

### ***Minutes***

**7.12** Minutes of all meetings and determinations of the Board must be made, entered and signed in the manner required by law.

**7.13** Unless a Director is precluded from receiving the minutes either in total or in part, draft minutes of Board meetings must be distributed as soon as practicable to all members of the Board for confirmation.

## **8.0 Company Secretary**

**8.1** Appointment and removal of the Company Secretary by the Board will be subject to the CEO's approval.

**8.2** All Directors shall have direct access to the Company Secretary.

**8.3** The Company Secretary reports directly to the Chair and CEO on matters relating to the Board.

**8.4** The Company Secretary is accountable directly to the Board, through the Chair, on all matters to do with the proper functioning of the Board.

**8.5** In conjunction with the CEO, the Company Secretary is responsible for communication with regulatory bodies.

**8.6** The Company Secretary or their nominee will act as Secretary to the Board and attend all meetings.

## **9.0 Board, Committee and Director Performance**

**9.1** The Board will undertake an annual assessment and review of its performance and effectiveness and the performance and effectiveness of the Board Committees and individual Directors. In consultation with the Chair and the CEO, the Directors will consider any suggested changes in the membership, duties and responsibilities of the Board and each of its Committees.

## 10.0 Charter Review and Publication

**10.1** The Board will periodically review this Charter. A copy of this Charter is published on CIMIC's internal and external websites.

### Document Information

<b>Owner:</b>	Company Secretary, CIMIC
<b>Approved by:</b>	CIMIC Board
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