



# MAJOR PROJECT APPROVALS COMMITTEE CHARTER

## CORPORATE GOVERNANCE

*DRA Global Limited*

ABN 75 622 581 935

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**APPROVAL**

Name	Title	Signature	Date
<b>Peter Mansell</b>	Chairman of the Board <b>DRA Global Limited</b>		Approved by the Board on 6 May 2020

**REVISION RECORD**

Revision	Description	Date
0	Approved by the Board	6 May 2020

## ABBREVIATIONS

Terms	Definition
Committee	Major Project Approvals Committee
Board	DRA Global Limited Board
Company	DRA Global Limited
Group	DRA Global Limited and its subsidiaries

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## 1 PURPOSE

The Major Project Approvals Committee (**Committee**) is a committee of the Board. The Committee's role is to assist the Board to fulfil its responsibilities in relation to:

- its oversight responsibilities relating to the bid and acceptance of Major Projects by DRA Global Limited and its wholly owned subsidiaries (together **the Group**);
- providing direction and oversight of Major Project bids, proposals and draft contracts to ensure any potential contracts awarded meet the Group's strategy and objectives; and
- Reviewing and assessing the structures in place to assess and manage Major Projects throughout the project lifecycle.

Major Projects are those projects with high significance which are identified by management as such and therefore require Board approval under the Group's Delegation of Authority Standard (DOA) or Black Flag / Red Flags Standard, in terms of contract value, the provision of parent company commitments / support at either the bid or contracting phase or in terms of other approvals specifically required.

This Charter details the functions and the manner in which the Committee will operate once it is approached by, and receives the necessary supporting documentation from, management related to any enquiry, bid, proposal and/or draft contract that, based on early stage and preliminary reviews, will become a Major Project by exceeding the guidelines in the DOA and therefore requiring Board approval prior to committing the Group.

In making decisions and recommendations, the Committee may take into account:

- these terms of reference;
- legal requirements, including the provisions and recommendations in applicable listing rules and standards of corporate governance applicable in each of the jurisdictions in which the Company is listed;
- key market trends and the broader external environment, in particular, the existing and developing corporate governance and regulatory environment;
- the activities of Board's other committees and where appropriate, co-ordinate with and consider information arising out of those committees; and
- any other factors it deems relevant.

## 2 KEY RESPONSIBILITIES OF THE COMMITTEE

Specifically, the duties and responsibilities of the Committee are to review and report to, and where appropriate recommend for approval by, the Board on the following matters.

The Committee's responsibilities include:

### 2.1 Major Project Bids and Governance

- Review recommendations from BU Management that motivates why they believe DRA should submit a bid or proposal on a Major Project.
- Evaluate and make recommendations to the Board on Major Project bids, proposals and draft contracts to ensure alignment with the Group's strategic plans or objectives.
- Review, by themselves or by way of appointed industry specialists, the effectiveness of project management frameworks and systems to ensure appropriate project and governance structures, capabilities, controls and resources are in place for the efficient and cost-effective delivery of Major Projects.

### 2.2 Project Controls Group Reporting

- Review and consider reports from the Managing Director in respect of Major Projects on the:
  - overall delivery of the project against project outcomes;
  - the procurement processes, project expenditure and costs to complete;
  - material risks and opportunities associated with the project; and
  - any proposed Project Execution Strategies where appropriate, i.e. new country entry, high risk contracting strategies, etc.

## 2.3 Major Projects Assurance

- Assess the adequacy and effectiveness of internal controls and risks as they relate to Major Projects.
- Approving the scope, program, and resourcing of any internal audits to be performed on Major Projects.
- Periodic peer reviews which may go beyond financial audits and included within the stage gate process.
- Receiving reports from the internal auditor on material findings arising from their audits of Major Projects, and monitoring management's responses to recommendations arising from the internal audit findings and discussing those findings with the Audit and Risk Committee.

## 3 MONITORING REDRESS OF INEFFECTIVE RESOURCES, PROCESSES AND PERFORMANCE

Reporting provided by management, auditors or independent third-party verification may indicate that the Group's resources, processes or performance with respect to Major Project reporting and project risk management have been found to be ineffective in a material respect or otherwise unsatisfactory in a material respect.

If that occurs, the Committee will, on the Board's behalf, monitor implementation of the steps recommended by management, auditors or the third-party to seek to ensure that, in a timely manner, the resources, process or performance become effective or otherwise satisfactory.

## 4 ACCESS TO INFORMATION AND INDEPENDENT ADVICE

The Committee shall have unrestricted access to management, internal or external auditors, and any information to enable it to fulfil its functions appropriately.

The Committee is authorised to obtain any independent legal advice or other professional advice that it considers necessary to perform its role.

The Committee is a review and advice Committee and has no decision-making authority and holds no delegated authority from the Board.

## 5 MEMBERSHIP

The Committee shall comprise of a minimum of three Non-Executive Directors. The members will be appointed by the Board.

A majority of the members will be Non-executive Directors.

The Committee shall have a Chairperson appointed by the Board. The Committee Chairperson must be an independent Non-executive Director unless approved by exception by the Board.

Committee members should possess the appropriate skills and experience and have an appropriate understanding of engineering, project management and the industries in which the Company operates to enable the Committee to fulfil its functions appropriately. At least one member of the Committee should be a qualified engineer with experience on Major Projects.

The Company Secretary will be the secretary of the Committee.

## 6 MEETINGS

The Committee shall meet as often as required to undertake its role effectively, but as a minimum four times per annum. Any committee member may call a meeting of the Committee.

At least twice a year, including prior to the release of the full and half yearly financial statements, the Committee should be able to meet with the external auditor without management present, if determined to be required.

The quorum necessary for the meeting will be a majority of members. In the absence of the Chairperson, the Committee members will elect a member to act as Chairperson for that meeting.

The Committee may invite various persons to attend its meetings. The Managing Director and Chief Financial Officer are required to attend Committee meetings, except where the Chairperson of the Committee calls a meeting with the internal or external auditors independent of management.

The Committee may delegate to subcommittees of the Committee.

All Directors have a standing invitation to attend Committee meetings, receive copies of Committee meeting minutes and have access to Committee papers.

The proceedings of all meetings shall have minutes taken and the minutes are to be included in the Board papers at the next full Board meeting following the Committee meeting.

## 7 REPORTING

The Committee Chairperson, or his/her nominee, will report to the Board at the next Board meeting on any material matters arising out of the Committee meeting and make recommendations to the Board for decision.

The minutes and agenda of the prior Committee meeting will be included in the Board papers for the subsequent Board meeting.

All Directors will be permitted, within the Board meeting, to request information of the Committee Chairperson or members of the Committee.

An annual plan will be developed for the Committee activities and reporting on progress against the annual plan will be provided to the Board.

The Managing Director will have a separate direct reporting relationship with the Chair of the Committee. This will involve regular one-on-one meetings, as required.

## 8 REVIEWS

The overall performance of the Committee is to be reviewed at least every two years by:

- obtaining feedback from the Board, Managing Director and Chief Financial Officer; and
- the Chairman of the Board assessing the contribution and performance of individual Committee members.

The Committee's Charter will be reviewed at least every two years and any amendments are to be approved by the Board.