

RISK MANAGEMENT CHARTER

Introduction

The Board of Engin Limited has established this charter to provide an appropriate formal framework for the oversight and management of material business risks and threats faced by the Company.

The Board is ultimately responsible for adherence to the charter.

The Audit Committee is the Committee charged with the responsibility for the oversight and management of material business risks.

The Committee has authority to access advisors, executive and senior management and other employees of the Company. It may also appoint independent experts to assist it carry out its duties where it deems it necessary.

In discharging its oversight role, the Committee is empowered to investigate any matter brought to its attention with full access to all books, records and facilities of the Company.

Meetings

The Audit Committee will meet at least annually. Additional meetings may be convened as required by the Committee. The Company Secretary will be Secretary to the Committee.

Responsibilities

Review, recommend and ensure appropriate risk management procedures and programs are in place covering categories that include the following:

- Risk identification and assessment
- Financial exposure including debt level, hedging and financial exposure to third parties
- Insurance coverage
- Workplace safety and occupational health
- Security from unauthorised access – both internal and external
- Back up systems, data storage and record keeping; disaster recovery planning
- Succession planning
- Corporate and business unit risk management
- Monitor compliance with applicable laws and regulations

The Committee will consider any matters relating to the identification and management of material risks and compliance with laws and regulations applicable to the Company and its subsidiaries. In addition, the Committee will examine any other matters referred to it by the Board.

Risk and Compliance Reporting and Escalation

Without limiting the reporting that may be directed to the Committee, the following information will be provided to the Committee:

- Report of incidence and investigation of any fraud
- Report of material breaches of applicable laws and regulations including the Corporations Act, ASX Listing Rules, environmental legislation and occupational health and safety legislation
- Risk assessment report of material risks facing the Company and its subsidiaries
- Report of annual insurance coverage and material claims made during the year
- Report of status of disaster recovery and business continuity plans
- Disclosure statement on risk management for the annual financial report
- Annual statement by the Chief Executive Officer and Chief Financial Officer to the Board regarding risk management (as required by recommendation 7.2 of the ASX Corporate Governance Council Recommendations)

Reporting to the Board

The Committee is to report on its meetings to the Board and provide recommendations of the Committee to the Board for decision.

Minutes of Committee meetings and reports will be sent to all Board members.

Committee Performance and Review of Charter

The Committee will perform an evaluation of its performance at least annually to determine whether it is functioning effectively by reference to best practice.

The Committee will review and reassess the charter regularly and obtain the approval of the Board for any changes.