



ENNOX GROUP LTD

("Company")

BOARD CHARTER

1. Role and purpose

The board of directors of the Company (Board) is responsible for guiding and monitoring the Company on behalf of shareholders by whom they are elected and to whom they are accountable.

The Board is responsible for and has the authority to determine all matters relating to setting the purpose, values, strategic direction, policies, practices, establishing goals for management and the operation of the Company.

The role of the Board is to also review, approve and monitor the Company's risk management systems across its businesses, and to oversee overall good governance practice having regard to principles of good corporate governance, international best practice and applicable laws.

2. Functions of the Board

The monitoring and ultimate control of the business of the Company is vested in the Board. The Board's primary responsibility is to oversee the Company's business activities and management for the benefit of the Company's shareholders. The specific responsibilities of the Board include:

- (a) appointment, evaluation, rewarding and if necessary the removal of the Executive Director/Managing Director/Chief Executive Officer, Chief Financial Officer (or equivalent) and the Company Secretary;
- (b) in conjunction with management, development of corporate objectives, strategy and operations plans and approving and appropriately monitoring plans, new investments, major capital and operating expenditures, capital management, acquisitions, divestitures and major funding activities;
- (c) monitoring actual performance against planned performance expectations and reviewing operating information at a requisite level, to understand at all times the financial and operating conditions of the Company;

- (d) monitoring the performance of senior management including the implementation of strategy, and ensuring appropriate resources are available;
- (e) via management, an appreciation of areas of significant business risk and ensuring that the Company is appropriately positioned to manage those risks;
- (f) overseeing the management of safety, occupational health and environmental matters;
- (g) satisfying itself that the financial statements of the Company fairly and accurately set out the financial position and financial performance of the Company for the period under review;
- (h) satisfying itself that there are appropriate reporting systems and controls in place to assure the Board that proper operational, financial, compliance, and internal control processes are in place and functioning appropriately;
- (i) to ensure that appropriate internal and external audit arrangements are in place and operating effectively;
- (j) having a framework in place to help ensure that the Company acts legally and responsibly on all matters consistent with the code of conduct; and
- (k) reporting to shareholders.

3. Committees

The Board retains full responsibility for guiding and monitoring the Company.

The Board may establish other committees as and when required.

Each director has the right to seek independent professional advice on matters relating to their position as a director of the Company at the Company's expense, subject to the prior approval of the Chairman, which shall not be unreasonably withheld.

4. Conflict of interest

In the event of a conflict of interest or where a potential conflict of interest may arise, the involved director will (unless the remaining directors resolve otherwise in accordance with the *Corporations Act 2001* (Cth)):

- (a) withdraw from deliberations concerning the matter;
- (b) abstain from voting on any motion relating to the matter; and
- (c) not receive any board papers bearing on the matter, at a directors' meeting where that matter is being considered.

5. Board structure

The composition, structure and proceedings of the Board are primarily governed by the Company's constitution. In accordance with the constitution of the Company, directors (other than the Executive/Managing Director) must not hold office without re-election past the 3rd Annual General Meeting following the director's appointment or 3 years, whichever is longer. The Board does not specify a maximum term for which a director may hold office.

Where possible, a majority of the Board will be comprised of independent directors. An independent director is a non-executive director who is free of any interest, position, association or relationship that might influence, or reasonably be perceived to influence, in a material respect his or her capacity to bring an independent judgment to bear on issues before the Board and to act in the best interests of the Company and its shareholders generally. When determining the independence of a director, the Company will also take into account the factors relevant to assessing the independence of a director listed in Recommendation 2.3 of the ASX Corporate Governance Council's Corporate Governance Principles and Recommendations.

Where possible, the Chairman will be an independent director. The Executive Director(s)/CEO is accountable to the Board for all authority delegated to the position.

The Board shall meet at least four times per year, and otherwise as often as the directors determine necessary to enable the directors and the Board to fulfil their duties and responsibilities to the Company.

A director may call a meeting of the directors, and the Company Secretary must, if requested by a director, call a Board meeting.

6. Relationship with management

The responsibility for the day-to-day operation and administration of the Company is delegated by the Board to the Managing Director/Chief Executive Director. The Board must ensure that the Managing Director/ Chief Executive Director and the management team is appropriately qualified and experienced to discharge their responsibilities and will put in place procedures to assess their performance and the performance of executive directors. The Company will have a written agreement with each senior executive setting out the terms of their appointment.

Whilst there is a clear division between the responsibilities of the Board and management, the Board is responsible for ensuring that management's objectives and activities are aligned with the expectations and risks identified by the Board. The Board will put in place a number of mechanisms to ensure this is achieved including:

- (a) Board approval and monitoring of a strategic plan;
- (b) approval of budgets and regular monitoring actual performance against budget; and
- (c) procedures to be put in place to incorporate presentations covering key relevant areas of the Company's operations to each Board meeting by financial, operations, exploration and marketing management.

7. Company Secretary

The Board will appoint at least one Company Secretary. The appointment and removal of a Company Secretary will be subject to Board approval. The Company Secretary is directly accountable to the Board through the Chairman, on all matters to do with the proper functioning the Board.

8. Ethical Standards and Legal Duties

Code of Conduct: Each director shall abide by the terms of the Company's Code of Conduct and is expected to uphold the ethical standards and corporate behaviour described in the Code.

Duties: The Board will operate in a manner reflecting the values of the Company and in accordance with its agreed corporate governance guidelines, the Constitution, the Corporations Act and all other applicable laws and regulations.

Conflicts of interest: Each director has a fiduciary and statutory duty not to place themselves in a position which gives rise to, or is perceived to give rise to, a real or substantial possibility of conflict, whether it be a conflict of interest or conflict of duties.

Dealing in shares: Directors must ensure any dealings in shares are in strict compliance with the Company's Securities Trading Policy and otherwise in accordance with the values of honesty and integrity.

9. Independence

The Board supports the principle that each Director should be independent.

If a director is or becomes aware of any information, facts or circumstances which will or may affect that director's independence, the director must immediately disclose all relevant details in writing to the Company Secretary, People & Culture Committee and the Chairman.

The Board regularly reviews the independence of each Non-Executive Director in light of information disclosed by each Non-Executive Director to the Board.

An independent director is a non-executive director who is not a member of management and who is free of any interest, position, association, business or other relationship that might influence or be perceived to influence, in a material respect, the independent exercise of their judgement.

In considering whether a director is independent and the criteria against which the Board determines the materiality of a relationship, the Board is to have regard to:

- a) the interests, positions and relationships affecting the independent status of a director as described in the ASX Corporate Governance Principles and Recommendations;
 - the materiality guidelines applied in accordance with Australian accounting standards;
 - developments in International corporate governance standards; and
 - any independent professional advice sought by the Board at its discretion.
- b) The Board considers a relationship to materially influence, or be perceived to materially influence, a director's independent judgement, where it is of substance and consequence and there is a real and sensible possibility that it would affect the director's judgement.

10. Board appointment

The procedures for the appointment and removal of Directors are governed by the Company's Constitution and ASX Listing Rules. The Board may appoint Directors to fill casual vacancies up to the maximum number of Directors permitted under the Constitution. If the Board appoints a new Director during the year, that Director must stand for election at the next Annual General Meeting.

Directors have a maximum term of 12 years of continuous service, are subject to the retirement provisions contained in the Company's Constitution and the ASX

Listing Rules, and at a minimum Directors must submit themselves to Shareholders for re-election at least every (3) years. The Company's Constitution provides that there must be an election of Directors at each Annual General Meeting.

11. Director Induction

The Company's induction program is implemented by the People & Culture Committee and Company Secretary. The induction program aims to provide a new Director with:

- a) detailed knowledge of the Company's business, including the company's financial position, strategy, operations and corporate and organisational structure;
 - general knowledge of the Company's industry;
 - information to allow the new Director to make informed decisions as soon as possible;
- b) access to the Company's Constitution, Charters, Corporate Governance Policies, D&O Insurance policy; and
- c) an overview of Director's statutory and common law duties, roles and responsibilities.

The Company is committed to continuing development of its Directors and executives. There is an expectation that all Directors and the Chief Executive Officer will commit to at least 2 days of professional development each year. Development may be in both governance and governance processes or in the Company's industry. The Board also undertake an annual review in relation to whether there is a need for existing Directors to undertake professional development.

12. Performance Review

The Board considers the ongoing development and improvement of its own performance as a critical input to effective governance. The Board is responsible for undertaking an annual evaluation of Board and Directors' performance.

The evaluation will:

- a) compare the Board's performance with requirements of this Charter;
- b) review the annual work plan incorporating any changes in the Charter; and
- c) set goals for the upcoming business year.

13. Indemnity of Directors and Officers

The Company's Constitution requires that the Company indemnify a Director to the extent permitted by law for liability which arises from acting as director for Company's. The Company's Constitution also provides the Company may pay a person for a contract insuring a person who is a director of Company's against liability incurred by that person as a director of Company's.

Company's maintains a Directors & Officers Insurance Policy to satisfy the Company's Constitution obligations. Company's has entered a Deed of Indemnity Insurance and Access with each Director and Company officer.

Directors have the right to access all books, records and documents of Company's.

The Board collectively, and each director individually, may obtain independent professional advice at the Company's expense, as considered necessary to assist in fulfilling their relevant duties and responsibilities.

Individual directors who wish to obtain independent professional advice should seek the approval of the Chairman (acting reasonably) and will be entitled to reimbursement of all reasonable costs in obtaining such advice. In the case of a request made by the Chairman, approval is required by the Chairman of the Audit and Risk Committee.

14. Review

Any amendments to this Charter must be approved by the Board.

Any questions in relation to the Board Charter should be directed to the Chairman.

This Charter is reviewed annually by the Board.

This Charter was adopted in August 2021
