

VERBREC LIMITED

ACN 127 897 689

BOARD PROPOSAL APPROVAL COMMITTEE CHARTER

As approved by the Board of Directors on 31 May 2024

Committee Members

NAME	POSITION	APPOINTMENT DATE
Mark Read	Chairperson	31 May 2024
Richard Aden	Member	31 May 2024
Brad Love	Member	31 May 2024
Joel Voss	Member	31 May 2024
Phillip Campbell	Member	31 May 2024
Brian O'Sullivan	Member	31 May 2024

1. Preamble

- 1.1 The Board Proposal Approval Committee ('**BPAC**') is an executive committee of Verbrec Limited with non-executive director members, with relevant approvals to be signed off by Board Chair.

2. Objective and Methodology

- 2.1 The primary objective of the BPAC is to assist the Board of Verbrec to fulfil its responsibilities with respect to review and approval of proposals to clients (and prospective clients).
- 2.2 The Company Delegation of Authority specifies there are some proposals which are beyond the delegated authority of the Chief Executive Officer ('**CEO**') due to their very high commercial value and/or high level of overall risk. The Board appoints the BPAC to review the submission of such proposals to clients (and prospective clients). Approvals for proposals must be tabled by the CEO to the Board Chair for sign-off prior to submission.

- 2.3 The Chairperson of the BPAC shall be notified by the Group Proposal Coordinator as soon as it is determined that a particular proposal is likely to require BPAC approval in accordance with the Company Delegation of Authority. This information is to include the likely required BPAC approval date so the BPAC can be prepared and made available to meet the submission timeline. The Chairperson of the BPAC may take this opportunity to seek information on the mooted proposal at that time, including review (and potentially challenge) of the Bid/No-Bid decision and mooted bid budget.
- 2.4 All proposals requiring BPAC approval shall be submitted to the BPAC as soon as reasonably possible, and in any event within one (1) week prior to the proposal being submitted to the client.
- 2.5 All proposals requiring BPAC approval will be submitted to the BPAC by the Business Unit General Manager in conjunction with the Group Proposals Coordinator.
- 2.6 In exceptional circumstances (for example unavailability of BPAC members) a proposal which is above the CEO's delegated approval authority may be submitted to the client without BPAC approval (but with CEO approval) provided the proposal is clearly specified in writing to the client as being 'conditional on approval by Verbrec's Board Chair'. In these circumstances, CEO must notify Board Chair by email in advance of the plan to submit the proposal on this condition. This must be followed up by formal BPAC review of the proposal as soon as practical (including notification to the client of any required changes that may arise from this review).
- 2.7 The BPAC will review proposals submitted to it to ensure that the Company's risks are appropriately managed, including:
- (a) Ensuring that the proposed client's financial viability and reputation (and otherwise suitability as a counterparty) has been adequately assessed.
 - (b) Ensuring the scope of work is within the Company's capabilities to deliver (within schedule) considering the Company's resources and the capabilities of any nominated sub-contractors or other partners and any other plans to fill capability gaps.
 - (c) Ensuring the Company has a clear strategy for winning - including key messages and methodologies that address the client's key drivers, and a clear and appropriate strategy for pricing and scope qualifications.
 - (d) Ensuring that the pricing model for the proposal is appropriate, and that pricing is adequate to ensure all costs are covered and at least a reasonable amount of profit will be generated if the project is executed reasonably well. This includes ensuring an adequate price build-up methodology, price cross-checking methodology, allocation of contingencies to areas of risk or uncertainty and appropriate mark-ups are made to the pricing of procured items/equipment and sub-contracted scopes.
 - (e) Ensuring an appropriate project cashflow, including requesting an optimal portion of payment 'on award' where possible.
 - (f) Ensuring the company's legal and contractual risks are suitably mitigated, including ensuring that appropriate exceptions are submitted where clients have proposed unacceptable terms and conditions. This review shall consider the advice of the Company's legal reviewers and relevance of contractual risks to the actual scope.

- 2.8 Submissions to BPAC will include documentation that covers each of the factors specified in paragraph 2.8 and this documentation will form the basis of the BPAC approval record.
- 2.9 For all proposals which are approved for submission by Board Chair, Board delegates its authority for approval to execute the contract with the client to the CEO except if the terms of the proposed final contract materially differ from the terms agreed by the BPAC (as determined by the CEO).
- 2.10 If the terms of the proposed final contract materially differ from the terms reviewed by the BPAC and approved by Board Chair, then the proposed final contract must be submitted to the BPAC for Chair re-approval before it can be executed.

3. Membership

- 3.1 The BPAC is to consist of a minimum of the Chief Executive Officer, Chief Financial Officer, Company Secretary and one non-executive Director. BPAC members (including the Chairperson of the BPAC) are appointed by the Board.
- 3.2 If a BPAC member retires, is removed, or resigns, or ceases to be an employee, that member ceases to be a member of the BPAC.
- 3.3 All Directors, including those that are not members of the BPAC, have the right to be copied in on BPAC correspondence (including proposal approval requests), and to attend any BPAC Meetings that may occur.
- 3.4 The BPAC may invite other persons to attend its meetings as required. The Group Proposals Coordinator is a standing invitee to BPAC meetings (but does not have voting rights).

4. Meetings and Circular Resolutions

- 4.1 The BPAC shall meet on an as required basis, as necessitated by the requirement to review a proposal prior to submission to a client. Alternatively, BPAC approvals may be sought and approved by correspondence (circular resolution). The Chairperson of the BPAC has an obligation to attempt to contact all BPAC members when arranging meetings. Any recommendations made in the meetings or by circular resolution will be passed only when the majority of BPAC members vote in the affirmative.
- 4.2 A quorum shall be three (3) executive BPAC members, or two (2) BPAC members if one of the BPAC members is a non-executive Director.
- 4.3 Any BPAC member may call a meeting of the BPAC. A notice of each meeting confirming the date, time, venue, and agenda will be forwarded to each BPAC member together with relevant supporting papers.

- 4.4 All recommendations of the BPAC shall be summarised in writing for Board Chair's approval.
- 4.5 The Group Proposal Coordinator will maintain a formal record of the business of each meeting (including matters dealt with by circular resolution). Once the formal record of each meeting or circular resolution (e.g., approval to submit a proposal) has been adopted and signed by the Chairperson of the BPAC, they shall be submitted (by the Group Proposal Coordinator) to the Company Secretary for records. Minutes of any BPAC meetings (apart from resolutions dealing solely with approval of a proposal or proposals) shall be forwarded by the Group Proposal Coordinator to the full Board via the Company Secretary.
- 4.6 A summary table of BPAC reviewed proposals and Board Chair approvals shall be kept by the Company Secretary.

5. Other

- 5.1 The BPAC will also carry out any other matters delegated to the BPAC by the Board.

6. Information

- 6.1 The BPAC is authorised within the scope of its responsibilities, to seek any information it requires from any employee of the Company.
- 6.2 The Company Secretary will ensure the BPAC Charter and the composition of the BPAC is posted on Verbrec's external website and on the intranet site.
- 6.3 The BPAC is authorised to take any independent professional advice or assistance as it considers necessary to carry out its duties.

7. Charter Review

- 7.1 The Board will review this Charter annually to ensure the Charter remains consistent with the Board's objectives and responsibilities. The Board will need to approve any amendments to the Charter arising from the review.
- 7.2 Any changes to the Charter will be recommended by the BPAC and formally approved by the Board.