

# SWICK MINING SERVICES LTD

## ENGINEERING COMMITTEE CHARTER

### 1. INTRODUCTION

The Board of Swick Mining Services Ltd (“**Swick**” or the “**Company**”) has established an Engineering Committee (“**Committee**”) to assist the Board in fulfilling its responsibilities in relation to assessing and managing the performance and risks associated with the Company’s engineering activities through the Engineering Department.

The Board supports the Principles of Good Corporate Governance and Best Practice Recommendations 2<sup>nd</sup> Edition developed by the ASX Corporate Governance Council (the “**Principles**”).

The Committee has no Board decision making responsibility, but makes considered recommendations to the Board of Directors.

### 2. SCOPE

The primary function of the Committee is to review the performance of the Engineering Department, assist Management to identify issues that may affect both current and future performance of the Engineering Department and develop action plans to address any such issues identified.

The key responsibilities of the Committee include:

#### **Drill Rig Builds and Refurbishments**

- ensuring that the Company’s fabrication and manufacturing capabilities are sufficient to meet its needs and carry out the Company’s drill rig build and refurbishment programs;
- ensuring that effective workshop management policies and systems are in place to support the scheduling and timely completion of the Company’s drill rig build and refurbishment programs; and
- ensuring that the workshops are adequately resourced to carry out the Company’s drill rig build and refurbishment programs.

#### **Equipment Maintenance**

- ensuring that effective maintenance policies and systems are in place with respect to both proactive and reactive maintenance of drill rigs, light vehicles and equipment, both in the field and at the home workshops;
- monitoring drill rig performance and trends with respect to mechanical availability and maintenance downtime; and
- providing an effective service to Operations with respect to field maintenance of all equipment.

### **Research & Development**

- fostering a research and development culture within the Engineering Department and reviewing the progress of all major research and development projects; and
- ensuring that the Company's design and engineering capabilities are maintained at the highest level.

### **Manufacture of Drilling Consumables**

- ensuring that the Company's design and manufacturing capabilities are sufficient to meet the needs of a progressive program for the in-house production of drilling consumables for Company use and for external sales.

### **Engineering Warehouse**

- ensuring that the engineering warehouse maintains a minimum level of parts inventory to satisfy the drill rig build programs and consumables manufacture.

### **Risk Monitoring and Management**

- monitoring the early identification of areas of engineering risk and the development of appropriate measures to mitigate against such risk.

## **3. MEMBERSHIP**

The Committee should comprise a minimum of one non-executive member of the Board of Directors, as well as the Managing Director and the Engineering Manager. Where appropriate, other members of Senior Management will be invited to present to the Committee on specific issues relating to operational performance.

The Committee shall be chaired by an Independent Chairman who is not Chair of the Board of Directors.

The Committee (including the Chairman of the Committee) will be appointed by the Board of Directors. The Committee will itself appoint a Committee Secretary from amongst its members or from a member of Senior Management.

The effect of ceasing to be a Director of the Board or employee of the Company is automatic termination of appointment as a member of the Committee.

## **4. MEETINGS**

The Committee will meet every month and more frequently as required.

The Chairman of the Committee may call a meeting of the Committee at any time, or if so requested by any member of the Committee.

A quorum will consist of two Committee members.

The Committee Secretary, in conjunction with the Chairman, shall draw up an agenda for meetings, which shall be circulated to each member of the Committee and attendees, at least two working days prior to each meeting.

The Committee Secretary will prepare the Minutes of the Committee meetings, which shall be considered at the next Board of Directors meeting.

## **5. AUTHORITY**

In carrying out its responsibilities, the Committee has full authority to investigate all matters that fall within the terms of reference of this Charter. Accordingly, the Committee may:

- obtain independent professional advice in the satisfaction of its duties at the cost of the Company; and
- have such direct access to the resources of the Company, as it may reasonably require, including Management and external auditors.

The Committee may, if it deems appropriate, hold private meetings with advisers and Management personnel.

## **6. CHARTER REVIEW**

The Committee shall review this Charter within six months of its adoption and thereafter annually.