

Audit Committee Charter

November 2020



Audit Committee Charter

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Audit Committee Charter

1. PURPOSE

The Audit Committee (the **Committee**) is a committee of the Board of Energy Queensland Limited (**EQL**).

This Charter outlines the authority, role and responsibilities of the Committee as well as the membership and meeting requirements of the Committee.

2. ROLE AND RESPONSIBILITIES OF THE COMMITTEE

The Committee assists the Board in fulfilling its oversight responsibility of EQL, its subsidiaries and its related bodies corporate (the **EQL Group**) financial integrity and financial reporting, effectiveness of the internal control framework, and audit.

The role and responsibility of the Committee is to review and make recommendations to the Board as appropriate on matters including:

Financial integrity and financial reporting

1. Financial reporting (including the preparation of financial accounts) and financial outcomes;
2. Content of the annual statutory financial statements and assess compliance with accounting standards and regulations;
3. Regulatory information notices;
4. Chief Executive Officer (**CEO**) and Executive General Manager Finance (**EGMF**) statements about financial reporting and internal controls;
5. Compliance with tax laws including income tax, goods and services tax, payroll tax and other tax obligations.

Effectiveness of fraud and internal control framework

1. Evaluate the adequacy and effectiveness of internal controls through active communication with management, the internal audit function and the external auditors;
2. Oversight of complaints of corrupt conduct against the EQL Group or its staff and compliance with public interest disclosure requirements.

Audit

1. Internal audit charter;
2. Internal audit plans to ensure that appropriate areas are selected for review, that plans are risk focused and are compliant with the requirements of the internal audit charter;
3. Internal audit's performance against the internal audit plan and management responses to recommendations;
4. Engage with external audit and assess the adequacy of management response to issues identified by external audit;
5. The appointment of internal and external auditors (other than the Auditor-General) as required;
6. Implementation of internal and external audit recommendations;
7. Coordination between internal and external audit;
8. Performance of the internal audit function and external auditors.

Policy Framework

1. Oversight of the EQL Policy Framework;
2. Review and endorsement of EQL Board Policies relevant to this Committee.

The Committee discharges the above responsibilities and the above role in relation to the EQL Group. The Committee acts as a forum to discuss issues on behalf of the Board and to maximise members' contributions to Board deliberations.

3. AUTHORITY AND DELEGATION

The Committee has authority to conduct or authorise investigations into any matters of alleged corrupt conduct or in relation to a public interest disclosure.

The Committee has authority to approve the annual internal audit plans and any changes proposed to the plan at any time during to year.

The Committee may examine any matter in relation to its objectives, within the overall framework approved by the Board and consider any other matter or carry out tasks as directed by the Board.

The Committee will have access to senior management and all documents, reports and records in pursuit of its objectives. The Committee may obtain independent advice from external consultants to fulfil its role, subject to Board approval. Committee members should direct all access related enquiries to the Company Secretary.

Subject to the above authority and delegation, and section 7 of this Charter, the Board has not delegated any decision making authority to the Committee in its own right.

4. MEMBERSHIP OF THE COMMITTEE

Members of the Committee are appointed by the Board. Membership of the Committee will consist of a minimum of three independent directors who are financially literate, it is preferable for at least one of whom to possess formal accounting or finance qualifications.

The members of the Committee are responsible for ensuring the efficient and effective operation of the Committee and taking the appropriate steps to ensure that they have the requisite knowledge and training to undertake their role.

5. CHAIR

The Committee Chair (the **Chair**) is appointed by the Board and shall not be the Chairman of the Board.

If the Chair is absent from any meeting of the Committee, the members of the Committee present at that meeting will appoint a Chair for that meeting.

6. COMMITTEE MEETINGS

6.1 Circulation of agendas and Committee papers

The Company Secretary, in conjunction with the Chair, will be responsible for drawing up and circulating the agenda (supported by explanatory documents) to the Committee in advance of each meeting.

Committee papers are expected to be provided seven days in advance of meetings.

6.2 Attendance

Committee members may not substitute a representative to attend on their behalf.

The CEO may attend Committee meetings at the standing invitation of the Committee to provide advice, information and recommendations to the Committee as required.

The Chair may invite other officers or employees of the EQL Group, or external parties to attend a

meeting of the Committee as it deems necessary.

Any Director may attend as a visitor at Committee meetings from time to time.

6.3 Quorum

The quorum for a Committee meeting is two Committee members.

6.4 Conflicts of Interest

In accordance with the Director Conflicts of Interest Policy, Committee members must disclose any business or other relationship that, in the reasonable opinion of the Board or Committee, would materially interfere with the exercise of his or her independent judgement as a member of the Committee.

The Committee member must disclose any actual, potential or perceived conflict of interest arising at a Committee meeting, or may provide a standing declaration of interests to the Committee. The Company Secretary must note all declarations of interest in the Committee meeting minutes.

Where a member is deemed to have a real or perceived conflict of interest, they will absent themselves from the meeting while that matter is discussed.

6.5 Minutes

The Company Secretary will be responsible for recording and keeping the minutes of meetings of the Committee and circulating them to the Committee members, the Board members and the CEO as appropriate.

6.6 Frequency of meetings

The Committee will hold at least four meetings annually, or more frequently as determined by the Committee to fulfil its duties. In addition, the Company Secretary (in consultation with the Chair) is required to call a meeting of the Committee if requested to do so by at least two Committee members.

7. APPOINTMENT AND PERFORMANCE OF THE INTERNAL CONTROL AND AUDIT FUNCTION

Under the internal audit charter, the Committee plays a key role in overseeing the performance of the leader of the internal control and audit function officer (**ICA Officer**) appointed by EQL as part of its oversight of the internal control and audit function.

The Committee must be consulted on and approve the appointment or dismissal of the ICA Officer.

The Chair (on behalf of the Committee) shall also provide input into the annual performance review of the ICA Officer (including any remuneration reviews).

8. REPORTING TO THE BOARD

The Committee reports to the Board. The Chair will provide a report to the Board following each meeting to advise the Board about Committee activities, including its findings and recommendations.

9. OTHER COMMITTEES

The Committee will interact cooperatively with the other committees established by the Board where required to provide effective oversight recommendations to the Board, according to the roles set out in each committee's Charter.

10. ASSESSING COMMITTEE PERFORMANCE

The Committee will complete a self-assessment process in accordance with the framework approved by the Board.

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11. REVISION OF CHARTER

The Committee will review this Charter at least annually to ensure its relevance and effectiveness of the Committee, and make recommendations for any amendments to the Board for approval.

This Charter will be made available on EQL's website.

Reviewed by the Board with minor amendments on 19 November 2020.