

# Energy Queensland Limited Board Charter

May 2020



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## 1. ROLE OF THE BOARD

This Charter provides a summary of the role of the Energy Queensland Board (the Board) in the business structure and operations of Energy Queensland Limited (EQL) and its subsidiaries (collectively the EQL Group).

The role of the Board is to provide effective governance, oversight and strategic direction to fulfil the objects of EQL as set out in its Constitution and to ensure the interests of the shareholding Ministers are protected whilst having regard for the interests of all stakeholders including customers, employees, suppliers and the community.

The Board carries out its duties in accordance with:

- a) Government Owned Corporations Act (1993) (GOC Act);
- b) Corporations Act 2001 (Corporations Act);
- c) the Energy Queensland Limited Constitution;
- d) the Shareholder Mandate;
- e) The Corporate Governance Guidelines for Government Owned Corporations (v.2)
- f) Other applicable policies and guidelines; and
- g) The high standards of ethics and corporate governance.

## 2. RESPONSIBILITIES OF THE BOARD

The Board is accountable to its shareholders for the performance of the EQL Group and is responsible for the governance of the EQL Group.

The Board:

- a) Sets the STRATEGIC DIRECTION of the EQL Group, which is set out in the Statement of Corporate Intent (SCI) and Corporate Plan (CP) and other internal strategic planning documents.
- b) Sets the tone for and monitors the CULTURE of the EQL Group.
- c) Oversees the GOVERNANCE of the EQL Group and approves the EQL Governance Framework which includes the subsidiary governance framework, setting appropriate delegations and overseeing the EQL policy framework.
- d) Approves key EQL POLICIES.
- e) Oversees and monitors the EQL RISK MANAGEMENT FRAMEWORK and sets the RISK APPETITE.
- f) Oversees and monitors COMPLIANCE.
- g) Oversees and monitors INTERNAL CONTROLS.
- h) Approves the appointment of the INTERNAL AUDITOR and the INTERNAL AUDIT PLAN.
- i) APPOINTS and removes the Chief Executive Officer(subject to the approval of the shareholding Ministers) and the Company Secretary and APPOINTS executives on the recommendation of the Chief Executive Officer.
- j) Reviews the PERFORMANCE of the Chief Executive Officer.
- k) Approves the REMUNERATION and PERFORMANCE PAYMENTS of the Chief Executive Officer and Executives.
- l) Recommends the appointment and removal of DIRECTORS to the Shareholding Ministers.

- m) Monitors the OPERATIONAL and FINANCIAL PERFORMANCE of the EQL Group and approves the ANNUAL FINANCIAL STATEMENTS and payment of DIVIDENDS.
- n) Approves the BUDGET for the EQL Group.
- o) Leads and supports ENGAGEMENT with shareholders and key stakeholders.
- p) Approves the ANNUAL REPORT and QUARTERLY SHAREHOLDERS' REPORTS and oversees other reporting to shareholders, regulators and other key stakeholders.
- q) Approves the ACQUISITION and TRANSFER of shares (or other equities) by EQL or its subsidiaries.
- r) Approves significant or strategic TRANSACTIONS or PROJECTS that are outside the delegated limits approved for the Chief Executive Officer or that require shareholding Minister approval.
- s) Approves the INSURANCE program for the EQL Group.

## 3. AUTHORITY OF THE BOARD

### Delegations

In accordance with the Constitution of EQL and section 198D of the Corporations Act, Directors may by resolution, delegate their power to:

- a Director;
- a committee of the Board of Directors;
- an employee of the Company; or
- any other person.

The EQL Group Governance and Delegations Policy sets out a list of defined matters that are always reserved for the Board. This ensures that the Board retains control over its statutory obligations and key strategic decisions and monitor issues that significantly impact the EQL Group.

These specific matters, as well as those issues which fall outside the scope of the Chief Executive Officer's delegated authority, are reserved to the Board for decision making purposes.

The Board has delegated the day to day management and operation of the EQL Group to the Chief Executive Office who can authorise EQL employees to carry out their duties within the scope of their position and in accordance with any powers delegated by the Chief Executive Officer.

### Power of Attorney

The Board has granted Powers of Attorney to execute specified documents. The powers are granted to position titles rather than individuals so that the duties automatically transfer to a new person in that position or when another employee is acting in that role.

### Execution of Documents

EQL relies on section 127(1) of the Corporations Act, which allows a document to be signed by:

- a) two directors of the company; or
- b) a Director and a Company Secretary of the company.

Agreements that are covered under the scope of the Energy Queensland Group Governance and Delegations Policy may be signed by the nominated authorised representative listed in that Policy (provided that the transaction has also been approved by the nominated delegate).

Documents in the form of deeds must be signed under section 127(1) of the Corporations Act or by an Attorney.

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## 4. COMMITTEES OF THE BOARD

The Board has established (with the approval of the shareholding Ministers) the following Committees of the Board to assist it in discharging its responsibilities:

- Audit Committee
- Risk and Compliance Committee
- People, Safety & Environment Committee
- Regulatory Committee.

The Board has adopted a formal charter for each committee, setting out the matters relevant to its composition, responsibilities and administration.

Except as stated in the Governance and Delegations Policy or as otherwise stated by the Board, committees do not have delegated authority from the Board and exist to provide recommendations to the Board on issues within the scope of the committee.

## 5. BOARD MEMBERSHIP | APPOINTMENT OF DIRECTORS AND CHIEF EXECUTIVE OFFICER

As a Government Owned Corporation, the directors and Chairman are appointed to the Board by the Governor-in-Council in accordance with the GOC Act. At all times the Company must have no less than 3 Directors. A quorum for a Board meeting is half the number of Directors appointed to the Board and if that number is not a whole number, the next highest number.

## 6. DIRECTOR CODE OF CONDUCT

Every Director of EQL is expected to comply with the Director Code of Conduct.

Directors must also comply with the Directors' Conflict of Interest Policy and Securities Dealing Policy, as well as all other EQL policies that apply to directors.

## 7. BOARD MEETINGS

The Board meets as often as deemed necessary to fulfil its role and responsibilities. The Board determines its meeting dates for the ensuing year in the year prior. Additionally, in accordance with the Constitution of EQL, a Director may convene a meeting of the Directors. The Board of EQL seeks to meet at its Head Office in Townsville and also at its offices in regional centres.

## 8. INFORMATION ACCESS AND PROFESSIONAL ADVICE

The Board may conduct or direct any investigation considered necessary to fulfil its role, and in doing so may seek independent professional advice at the company's expense.

With the prior approval of the Chairman, each Director has the right to seek access to independent professional advice required to fulfil their role.

## 9. DIRECTORS FEES

Directors are paid in accordance with a schedule of annual fees approved by the shareholding Ministers.

## 10. BOARD PERFORMANCE

The performance of the Board and the Board Committees shall be reviewed in accordance with the framework approved by the Board and subject to any relevant Government guidelines.

## 11. REVISION OF CHARTER

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The Board should review the adequacy of this Charter at least on a biennial basis. The Board may determine and approve changes to this Charter.

## 12. VERSION CONTROL

This version of this Charter was adopted by the Board on 21 May 2020.