

Risk and Compliance Committee Charter

November 2020



Risk and Compliance Committee Charter

CONTENTS

1. PURPOSE	1
2. ROLE AND RESPONSIBILITIES OF THE COMMITTEE	1
3. MEMBERSHIP OF THE COMMITTEE	2
4. CHAIR.....	2
5. COMMITTEE MEETINGS	2
5.1 Circulation of agendas and Committee papers.....	2
5.2 Attendance.....	2
5.3 Quorum.....	2
5.4 Conflicts of Interest	2
5.5 Minutes	3
5.6 Frequency of meetings.....	3
5.7 Access to management and information	3
6. ENGAGEMENT OF CONSULTANTS	3
7. REPORTING TO THE BOARD	3
8. OTHER COMMITTEES.....	3
9. ASSESSING COMMITTEE PERFORMANCE.....	3
10. REVISION OF CHARTER.....	3

1. PURPOSE

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

The Charter outlines the role and responsibilities of the Committee as well as the composition and meeting requirements of the Committee.

2. ROLE AND RESPONSIBILITIES OF THE COMMITTEE

The Committee assists the Board in fulfilling its oversight responsibility of the Group's Risk Policy and Approach, and the Group's Compliance Policy and Approach.

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

Risk Policy and Approach

1. Risk management policies, and approach, including risk management systems.

Risk Parameters

1. Risk appetite and tolerance levels and risk profiles.

Risk Identification and Management

1. Ongoing identification, assessment and management of material business risks;
2. Initiatives to control and monitor key business risks;
3. Any significant changes to the risk profile or exposure;
4. Significant risk issues associated with core network operations and asset standards;
5. Risk issues associated with major change or capital projects including Program of Work and ICT projects;
6. Risk issues associated with wholesale markets and trading strategy;
7. Oversight of the financial market risks managed by Ergon Energy Queensland Pty Ltd and compliance with AFSL licences.
8. Business continuity, cyber risk, disaster and emergency management plans;
9. Insurance coverage.

Risk Culture

1. Embedding of an appropriate risk aware culture.

Compliance Policy and Approach

1. Compliance policies and approach;
2. Systems for monitoring compliance with laws and regulations with particular emphasis on key risk areas;
3. Identification of and responses to significant non-compliances with policy, procedures and legislation;
4. Compliance programs and initiatives.

Compliance Culture

1. Embedding of an appropriate compliance culture.

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

Subject to section 6 (Engagement of Consultants), the Board has not delegated any decision-making authority to the Committee in its own right.

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

3. MEMBERSHIP OF THE COMMITTEE

Members of the Committee are appointed by the Board. Membership of the Committee will consist of a minimum of two Directors to be appointed from time to time by the Board.

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.

4. CHAIR

The Committee Chair is appointed by the Board and shall not be the Chair 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.

5. COMMITTEE MEETINGS

5.1 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.

5.2 Attendance

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

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

The Committee Chair may request Group officers, or external parties to attend a meeting of the Committee.

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

5.3 Quorum

The quorum for a meeting of the Committee will be a minimum of two Committee members.

5.4 Conflicts of Interest

In accordance with the Board's Conflict 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.

5.5 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.

5.6 Frequency of meetings

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

5.7 Access to management and information

The Committee will have access to senior management and all documents, reports and records in pursuit of its objectives. Committee members should direct all access related enquiries to the Company Secretary.

6. ENGAGEMENT OF CONSULTANTS

The Committee has the power to engage independent external consultants as necessary for meeting its obligations in relation to its role, subject to Board approval.

7. REPORTING TO THE BOARD

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

8. 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.

9. ASSESSING COMMITTEE PERFORMANCE

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

10. REVISION OF CHARTER

The Committee should review the adequacy of this Charter at least on an annual basis.

If the Committee determines that changes to this Charter are deemed necessary, these recommendations will be submitted to the Board for approval.

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