

# Risk and Compliance Committee Charter

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## 1. PURPOSE

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

The Charter outlines the role 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 Framework, and the Group's Compliance Policy and Framework.

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 Framework**

1. Risk management policies, and framework, 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 markets 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 Framework**

1. Compliance policies and framework;
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 framework 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. CHAIRMAN**

The Committee Chairman is appointed by the Board, and shall not be the Chairman of the Board.

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

### **5. COMMITTEE MEETINGS**

#### **5.1 Circulation of agendas and Committee papers**

The Company Secretary, in conjunction with the Chairman, 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 chairman 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 Chairman) is required to call a meeting of the Committee if requested to do so by not less than 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 Chairman will provide 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 framework 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.