



Board Charter

POL-00007

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1. Purpose

This Charter provides a summary of the role of the Board in the business structure and operations of the Queensland Bulk Water Supply Authority trading as Seqwater, outlining the manner in which its powers and responsibilities will be exercised and discharged.

The Board is focused on ensuring the delivery of safe, secure, resilient and reliable water supplies at least cost to its customers. In striving to achieve these objectives the Board's priority is ensuring effective and efficient business operations that meet the needs of its customers, stakeholders, and communities.

The Board is committed to excellence in corporate governance. Governance principles established in this charter are designed to ensure an environment of collaboration, accountability, integrity and excellence are attained.

2. Responsibilities

The Board's role, powers, responsibilities and accountabilities are set out in the *South East Queensland Water (Restructuring) Act 2007* (the Act). Pursuant to section 51A of the Act the responsible Ministers' Statement of Obligations outlines the overarching obligations of Seqwater.

The Board is accountable to the responsible Ministers for the performance of Seqwater. It directs and monitors the affairs of Seqwater on behalf of the responsible Ministers and is responsible for Seqwater's overall corporate governance.

The Board will:

- SET Seqwater's strategic aims and ensure that its obligations to the Government and other relevant stakeholders are met
- ENSURE compliance with relevant Government policies
- APPOINT and remove the Chief Executive Officer after Ministerial consultation and approval
- APPOINT and remove Executive Managers
- REVIEW annually the performance of the Chief Executive Officer (CEO)
- REVIEW annually the performance of the Company Secretary and other executive managers
- INPUT into and give final APPROVAL of Seqwater's Operational Plan, including the performance objectives, and the underlying corporate strategy
- ENSURE a framework of prudent and effective controls is in place, to enable risk to be assessed and managed, including the statement of Seqwater's Risk Appetite
- MONITOR and assess executive management's performance and implementation of strategy (executive management includes General Managers and General Counsel and Company Secretary)
- APPROVE and monitor the progress of and planning for major capital expenditure, capital management, and acquisitions and divestures

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- APPROVE and monitor financial and other reporting, including provision of information to the Government under the Act
- APPROVE a People and Culture framework that ensures an inclusive and diverse workforce where employees' health and well-being are principal considerations
- INFORM the Government regarding the benefits of maintaining a diverse board membership.

In addition to statutory reporting requirements, Seqwater's internal business planning and reporting processes include a range of key performance indicators. This information is to be regularly reviewed by the Board.

3. Membership

The Board is comprised of not less than 2 members appointed by the Responsible Ministers under Section 16 of the Act for a specified period of time not exceeding 3 years. Such appointments may end after this period of time or may be extended and the Responsible Ministers may terminate the appointment at any time.

While recognising that it does not have any direct control over its composition:

- the Board is committed to ensuring that its members have the skills and expertise to deal with business issues, and that they are in a position to effectively review the performance of management and exercise independent judgement
- it is the Board's intention that it be comprised of a majority of independent members with an appropriate range of experience, skills, knowledge and perspective
- the Board supports the Government's inclusion and diversity strategy endorsed through the Board's Inclusion and Diversity Statement

An induction program including induction handbook is provided to allow all Board Members to sign a statement acknowledging they have read and understood the contents including when the handbook is updated.

4. Board Committees

The Board may from time to time establish committees to assist it in discharging its responsibilities.

The standing committees of the Board are:

1. the Audit and Risk Committee
2. the Investment and Procurement Committee
3. the People and Culture Committee.

For each committee, the Board adopts a formal charter setting out the matters relevant to composition, responsibilities and administration of such committees.

Except as stated in the Delegations and Authorisations Manual, or as otherwise stated by the Board, Board Committees do not have delegated authority from the Board and

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exist to provide recommendations to the Board on issues within the purview of the respective Committee.

All Board members are entitled to attend committee meetings as non-members and are entitled to receive committee papers.

A review of each Committee's membership and an evaluation of Committee performance is undertaken by the Board on an annual basis.

5. Relationship with Management

The Board recognises the special responsibility of non-executive members on its Board and separates the role of Chairman and Chief Executive Officer (CEO).

The CEO and executive management are accountable to the Board for the exercise of authority delegated to them. The CEO and executive management will report to the Board on the exercise of these powers on an ongoing basis.

Management must supply sufficient and timely information to the Board to allow it to discharge its duties effectively. The Board must independently assess the information and review key elements of the operations of Seqwater.

A key function of the Board is to monitor the performance of management according to the strategies and objectives decided by the Board. Board members have access to executive management through the Chairman and the CEO.

6. Relationship with responsible Ministers

As part of Seqwater's relationship with the State of Queensland, the Board is responsible for:

- overseeing compliance by Seqwater with any formal directions issued by the responsible Ministers under the Act or policies issued by the responsible Ministers, which Seqwater is required, or has undertaken, to comply with
- preparing and reaching agreement with the responsible Ministers each year on the operational and strategic plans pursuant to the Act
- approving quarterly reports to the responsible Ministers as required under the Act
- approving the Annual Report
- keeping the responsible Ministers reasonably informed about Seqwater's operations, financial performance and financial position and its achievement of the objectives in the strategic and operational plans as required under the Act
- immediately informing the responsible Ministers of any matters that arise that, in the Board's opinion, may:
 - (i) prevent, or significantly affect, achievement of the objectives in Seqwater's strategic or operational plans; or
 - (ii) significantly affect Seqwater's performance in delivering the outputs under its operational plan.

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7. Board Meetings

Board meetings are to be convened and conducted as follows:

- the Board has a scheduled meeting at least once every three months and as necessary
- the agenda for each meeting is determined by the Chairman, CEO and Company Secretary to meet the business needs
- Board Members receive comprehensive Board papers 7 days in advance
- the CEO, Chief Financial Officer and Company Secretary attend the Board meetings by standing invitation but may be asked to leave at any time
- Board Members receive regular communication regarding the business such as media releases, and relevant internal communication
- Board meetings are occasionally held in regional locations, providing Board Members with the opportunity to meet with local stakeholders and employees
- as well as holding regular Board meetings, the Board sets aside additional time to review business plans, company strategy and for site visits
- in conjunction with scheduled Board meetings, the non-executive members meet without executive management present.

Consideration of matters without a meeting - circulating resolutions

The Board may consider matters without a meeting via the following procedure.

- notice of the resolution will be circulated by the Company Secretary
- a circulating resolution will be validly passed if a majority of the eligible board members give written agreement to the resolution.

8. Role of Chairman

The Chairman is appointed by the Responsible Ministers and is responsible for ensuring the effective functioning of the Board.

The Chairman's responsibilities include:

- providing leadership to the Board
- chairing Board meetings
- promoting an environment of trust, respect and openness
- promoting consultative and constructive relationships between Board and management
- continuously monitoring the performance of individual Board members, Committees and the Board
- ensuring that any matter appropriate to be referred to Responsible Ministers is so referred and any decisions of Responsible Ministers are conveyed as appropriate to the Board and Management.

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9. Role of Chief Executive Officer

The CEO is responsible to the Board for the management and performance of Seqwater and for the development and implementation of strategy. The CEO manages Seqwater in accordance with the Strategic and Operational Plans.

The CEO has primary responsibility to bring to the attention of the Board and each Committee, issues which fall within the Board's accountabilities or within the Committee's accountabilities and any other issue which the CEO considers requires the attention of the Board and Committees.

The Board delegates responsibility for the day-to-day operation and management of Seqwater to the CEO. Matters reserved for the Board are listed in the "Board Reserved Matters" in the Delegations and Authorisations Manual. In carrying out its responsibility, the Board may delegate any of its powers to a Committee, the CEO, a General Manager, the General Counsel and Company Secretary (GC/CS) or any other employee of Seqwater, subject to any applicable legislation.

The appointment (with prior written approval from the responsible Ministers), performance review and removal of the CEO is a matter for the Board. The Board may appoint an acting CEO in circumstances where the CEO is temporarily unable to perform the role.

10. Role of Secretary

The Board is supported by the GC/CS as Secretary. The Secretary is accountable for facilitating Seqwater's corporate governance processes and providing general advice to the Board. The Secretary is also responsible to the Board for ensuring compliance with Board procedures.

The appointment, performance review and removal of the GC/CS as Secretary is a matter for the Board. Other persons may be appointed Acting Secretary or as an additional Secretary.

11. Conflicts of Interest

Board members must:

- disclose to the Board any actual or potential conflict of interest which may exist as soon as they become aware of the issue
- take any necessary and reasonable measures to try and resolve the conflict and comply with the requirements of the Act in relation to the disclosure of interests and restrictions on voting.

Unless Board members decide otherwise, if a conflict or potential conflict situation exists, the conflicted Board member will be excluded from all considerations of the matter by the Board including any segment of the Board papers or other documents containing any reference to the matter.

Board members are expected to advise the Chairman of any proposed Board or executive appointments to other organisations as soon as practicable.

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12. Independence of Board Members

The Board will regularly assess the ongoing independence of each Board member and the Board generally to ensure that:

- the Board continues to exercise unfettered and independent judgement
- the interests of the Responsible Ministers and the public are properly protected and that individual vested interests do not have the opportunity to influence decision-making against the interests of Seqwater.

13. Access to Information and Independent Advice

The Board and individual Board members may access information and seek independent advice as considered necessary to fulfil their relevant Board duties and responsibilities.

The Board and individual Board members will be entitled to:

- access to senior executives via the Chairman or CEO to discuss Board matters or request relevant additional information
- independent professional advice at Seqwater's expense with the prior approval of the Chairman.

Board members should share relevant information and advice received with the other Board members where appropriate.

14. Code of Conduct and Trading Policy

Seqwater acknowledges the need for Board members, executives and employees to observe the highest ethical standards of corporate behaviour. A Board Code of Conduct has been adopted to provide Board members with guidance on acceptable behaviour.

The Seqwater trading policy covers circumstances where a Board member, executive or employee of Seqwater may in the course of their duties have access to inside information about any securities or where trading in the securities may create a conflict of interest.

15. Review of Board and Executive Performance

The Board undertakes a regular board evaluation to assess the Board as a group, and each individual Board member.

From time to time, an external consultant may be engaged by the Chairman to assist with the evaluation and review of Board performance.

The performance of the CEO and Company Secretary is also assessed by the Board on an annual basis. The CEO conducts performance assessments of senior executives on an annual basis and reports the results to the Board.

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16. **Review of Charter**

The Board will review this Charter at least annually to ensure it remains consistent with the Board's objectives and responsibilities.

17. **Publication of Charter**

A copy of the Board Charter is available at www.seqwater.com.au.

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