



Board Charter

CONTENTS

- 1 Purpose..... 3
- 2 Responsibilities..... 3
 - 2.1 Role of the Board..... 3
- 3 Membership..... 4
- 4 Board Committees 4
- 5 Relationship with Management 4
- 6 Board Meetings 5
- 7 Role of Chairman..... 5
- 8 Role of Chief Executive Officer 6
- 9 Role of Secretary..... 6
- 10 Conflicts of Interest..... 6
- 11 Access to Information and Independent Advice 6
- 12 Code of Conduct 7
- 13 Review of Board and Executive Performance..... 7
- 14 Review of Charter 7
- 15 Publication of Charter..... 7

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 outline the overarching obligations of the Authority.

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

2.1 Role of the Board

The Board:

- SET the Authority'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;
- REVIEW annually the performance of the Chief Executive Officer (CEO);
- INPUT into and final APPROVAL of the Authority's Operational Plan, including the performance objectives, and the underlying corporate strategy;
- ENSURE a framework of prudent and effective controls to enable risk to be assessed and managed;
- MONITOR and assess senior management's performance and implementation of strategy;
- APPROVE and monitor the progress of and planning for major capital expenditure, capital management, and acquisitions and divestures;
- APPROVE and monitor financial and other reporting, including provision of information to the Government under the Act.

In addition to statutory reporting requirements, the Authority's internal business planning and reporting processes includes a range of key performance indicators. This information is 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 diversity policies;
- an induction program including induction kit is provided to all new Board Members.

4 Board Committees

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

The standing committee of the Board is the Audit and Risk 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 relevant Committee Charters, or as otherwise stated by the Board, Board Committees do not have delegated authority from the Board and 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.

The CEO and senior executive is accountable to the Board for the exercise of authority delegated to the CEO. The CEO and senior executive 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 provided by management 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 senior management through the Chairman and the CEO.

6 Board Meetings

Board meetings are to be convened and conducted as follows:

- The Board has twelve scheduled meetings per year;
- 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 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 at times held in regional locations throughout the year providing Board Members with the opportunity to meet with 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.

7 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.

8 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.

9 Role of Secretary

The Board is supported by the General Counsel and Company Secretary (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 that Board procedures are complied with.

The appointment 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.

10 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.

11 Access to Information and Independent Advice

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

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.

12 Code of Conduct

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.

13 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 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.

14 Review of Charter

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

15 Publication of Charter

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