

BOARD CHARTER

CLEANCO QUEENSLAND LIMITED
(ACN 628 008 159)

June 2019

APPROVALS

VERSION	NAME	DATE APPROVED
1.0	CleanCo Queensland Limited Board	11/01/19
2.0	CleanCo Queensland Limited Board	28/06/2019

1 INTRODUCTION AND PURPOSE

The Board of CleanCo Queensland Limited (CleanCo or the Company) has adopted this Board Charter to set out the way in which the Board will govern the Company.

CleanCo is both a Government Owned Corporation (GOC), wholly owned by its shareholding Ministers, under the *Government Owned Corporations Act 1993* (Qld) (GOC Act) and a public unlisted company incorporated under the *Corporations Act 2001* (Cth) (the Corporations Act).

CleanCo's corporate governance and culture are critical foundations to CleanCo's success, and the Board is committed to best practice governance, relative to the size and nature of the Company as a GOC. In so doing the Board endorses the Corporate Governance Guidelines for Government Owned Corporations, which align (to the extent applicable) with the ASX Corporate Governance Principles and Recommendations.

This Charter (the Charter) sets out the key roles, composition and responsibilities the Board.

2 ROLES, RESPONSIBILITIES AND AUTHORITY OF THE BOARD

2.1 Board

The Board's ultimate responsibility is the provision of leadership to protect the current value of CleanCo and create longer-term value. The CleanCo Board, together with the executive team, is responsible for the cultural health of CleanCo, acting with conscience to discharge our moral duties over and above our Board responsibilities, have no negative impact on society, and integrate ethical standards into the way CleanCo operates. We will optimise the value and care we deliver to our employees, customers, society and the environment.

The Board will focus on strategy: growing the business, anticipating and working with disruptive technologies and business models, understanding the competitive landscape and opportunities, and establishing strategic relationships that align with the Company's purpose and goals.

The Board will be a strategic asset for the CEO and the executive team by providing insight and direction.

The Board will ensure that CleanCo achieves its strategic objectives in compliance with its shareholder mandate, its Constitution, applicable laws and the principles of ethical governance. The key responsibilities of the Board include:

2.1.1 Health, Safety and Well-being of Employees and Contractors

- Monitoring CleanCo's commitment to workplace health and safety and the well-being of all employees and CleanCo's impact on the environment.
- Ensuring decisions or actions are not taken without assessing health, safety and environmental consequences.
- Ensuring that due diligence is exercised to ensure that CleanCo's work health and safety obligations are met.

2.1.2 Strategy, Operations and Culture

- Determining the strategic objectives of CleanCo, providing input to, and approval of, the Company's Strategic Plan, Statement of Corporate Intent (SCI), Corporate Plan and budgets, in alignment with the expectations of the shareholding Ministers and monitoring progress against aforementioned.
- Approving and monitoring capital management and major capital expenditure, acquisitions and divestments, including Board approval of major capital investment and divestment proposals.

- Approving and monitoring control and accountability processes and systems.
- Intelligently stress testing issues and plans through constructive debate.
- Regularly reviewing external influences impacting on the Company.
- Ensuring ethical behaviour and compliance with laws and regulations, accounting and auditing standards, and CleanCo's governing documents.
- Reporting to shareholding Ministers.
- Monitoring the culture of the Company through policies, processes, systems and people, and any management action plans for cultural change.

2.1.3 Risk Management

- Setting CleanCo's risk appetite, overseeing the establishment and implementation of the risk management framework for financial and non-financial risks, policies and the treatment of risks that are material to the Company.
- Reviewing the effectiveness of the implementation of the risk management framework and policies. Assessing and forming a view on risk culture, and monitoring any actions desirable to change the risk culture.
- Reviewing and ratifying the Company's systems of internal compliance and controls to determine the integrity and effectiveness of those systems.

2.1.4 Appointment of the CEO, Senior Executives, Performance and Remuneration

- Selecting, subject to the endorsement of the shareholding Ministers, and monitoring, evaluating, terminating and compensating the Chief Executive Officer (CEO).
- Selecting, appointing, assessing the performance of, the senior executives.
- Approval of succession plans for the CEO, senior executives and other organisational critical roles.
- Approval of the remuneration and incentive plans for the CEO and senior executives.

2.1.5 Governance and Compliance

- Overseeing the review and update of corporate governance practices and procedures as necessary to support CleanCo's commitment to best practice corporate governance and compliance requirements.
- Approving the Code of Conduct which underpins CleanCo's culture which includes setting appropriate standards of behaviour for Directors, employees, consultants, contractors and visitors of CleanCo as expressed in the Code of Conduct.
- Establishing an independent whistle-blower process and encouraging the reporting of unlawful and unethical behaviour and ensuring that, where violations are reported in good faith, the protections set out in the relevant policies are followed
- Ensuring that an appropriate framework exists for relevant information to be reported by management to the Board; and whenever required, the Board should be challenging management and holding it to account.
- Monitoring and influencing CleanCo's culture, values, reputation and ethical standards and actively promoting a positive culture.
- Actively promoting ethical and responsible decision making.
- Overseeing the work of the Board Committees and attending to matters referred to it by the Committees.

- Requiring that appropriate frameworks and controls are in place and operating effectively for compliance with relevant laws, regulations contractual obligations and industry codes.

2.1.6 Financial

- Ensuring the adequacy and effectiveness of key aspects of CleanCo's financial management, reporting and accounting practices.
- Approving the annual financial statements, the accounting policies upon which the statements are based, the Directors' report and key elements of other related regulatory filings.

2.1.7 Stakeholder relationships and reporting

- Establishing processes for the development and maintenance of strong relationships with key stakeholders and opinion leaders through briefings and meetings.
- Building trust in CleanCo through consistent and ethical behaviour towards stakeholders, transparency and accountability evidencing commitment to CleanCo's values, Code of Conduct and underlying policy framework.
- Delivering CleanCo's objectives and targets by addressing its social responsibilities and giving appropriate attention to the interests of all its stakeholders including shareholders, employees, and the communities in which CleanCo operates.

2.2 Role and Responsibilities of the Chair

The Chair, as are all Directors, is appointed by the Governor in Council for a specified period.

In addition to the responsibilities of a Director, the Chair's responsibilities include:

- presiding over Board and General Meetings of CleanCo and ensuring that these meetings are conducted competently, effectively and ethically;
- providing leadership to the Board;
- empower the Board to ask tough questions and create an environment of open and constructive debate when required to enhance breadth of thinking and consideration of alternatives;
- ensuring that the Board reaches clear conclusions at Board meetings and that these decisions are properly recorded in the minutes;
- ensuring all Directors are briefed on material matters arising at or between Board meetings;
- promoting constructive relations between the Board members and between the Board and management;
- overseeing the processes to evaluate the Board's individual and collective performance annually;
- maintaining liaison with shareholding Ministers; and
- representing CleanCo as otherwise required from time to time.

2.3 Responsibility of Individual Directors

All Directors must comply with their legal duties and obligations when discharging their responsibilities as Directors.

Specifically, must:

- discharge their duties in good faith and in CleanCo's best interests and for a proper purpose;
- apply the required effort to collect, interpret and share insights from their internal and external environments to determine and adjust the Company strategy;

- act with due care and diligence, demonstrate commercial reasonableness in their decision making and act with the level of skill and care expected of a Director;
- comply with CleanCo's Code of Conduct and the underlying policy framework;
- notify other of a personal interest and avoid conflicts of interest wherever possible and where conflicts arise, comply with their statutory duties and CleanCo's relevant policies and procedures;
- not make improper use of information gained through their position as a Director or take improper advantage of their position as a Director; and
- make reasonable enquiries if relying on information or advice provided by others.

2.4 CEO

The CEO's responsibilities include:

- ensuring a safe workplace for all employees and contractors;
- providing leadership to CleanCo;
- developing with the Board, for Board approval, CleanCo's strategy and associated performance objectives in alignment with its shareholder Mandate and regular reporting on the progress against these objectives to ensure adequate progress is made against the objectives;
- coordinating the sensing of the external environment as part of a continuous process and providing the Board with this information and insights;
- facilitate strategic debate with the Board
- the day to day operational management of CleanCo;
- acting within the delegations of authority granted to the CEO by the Board as set out in the CleanCo Delegations of Authority;
- ensuring that all employees act with the highest degree of ethics and probity;
- establishing and monitoring a system of internal controls and audits, to identify and manage risks that are material to the business of CleanCo; and
- establishing the terms and conditions of employees in accordance with policies approved by the Board.

2.5 Company Secretary

The Company Secretary is appointed by, and accountable to, the Board in accordance with the Corporations Act and has continuing obligations under that Act. All Directors have access to the Company Secretary for advice or assistance on governance matters.

The Company Secretary is responsible for:

- supporting the Board by providing advice on best practice in corporate governance as required;
- monitoring compliance with Board meeting practices and procedures;
- organising Board meetings and Director attendance, coordinating the completion and dispatch of Board agenda and briefing materials;
- preparing minutes of meetings and resolutions of the Board; and
- attending to CleanCo's compliance with its requirements under the Corporations Act regarding registered office, statutory registers, annual returns and notices to be lodged with ASIC.

3 AUTHORITY AND DELEGATION

The Board retains control over its statutory obligations, key strategic decisions and monitoring of issues that significantly impact CleanCo. These specific matters, as well as those issues which fall outside the scope of the CEO's delegated authority, are reserved to the Board for decision-making purposes and recorded as such in the Delegations of Authority. The Delegations policy is subject to regular review by the Board. Subject to Board decisions on any other additional items which may arise, the matters as set out in the CleanCo Delegations of Authority are reserved for the Board's approval.

The Board has delegated general authority to the CEO to manage and operate CleanCo on a day-to-day basis, in accordance with the CleanCo Delegations of Authority.

4 BOARD COMPOSITION AND TERM

The CleanCo Board comprises such number of non-executive Directors, as determined and appointed by the Governor-in-Council, for such term as decided by the Governor-in-Council, in accordance with the GOC Act.

5 REMUNERATION, EVALUATION AND PERFORMANCE

Board remuneration, including Committee fees, is set by Cabinet, based on shareholding Ministers' recommendations.

The Board will conduct an annual self-evaluation of its performance in accordance with the governance framework approved by the Board.. Independent assessment will be undertaken every 2 years.

The results of the Board evaluation will be provided to shareholding Ministers.

6 INFORMATION ACCESS AND PROFESSIONAL ADVICE

The Board and Committees regularly review their information needs (quality, quantity and timeliness) to ensure the information they receive is appropriate for the effective discharge of their duties.

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

With the prior approval of the Chair, each Director also has the right to seek access to independent professional advice required to fulfil his or her role.

7 COMMITTEES

The Board will establish committees to consider particular matters in detail and may delegate authority to those committees. Each committee of the Board will have an established charter which will be reviewed annually.

As at the date of this Charter, the Board intends to establish the following committees to assist in the performance of its responsibilities:

- Risk Committee;
- Audit Committee; and
- People & Safety Committee.

8 CHARTER REVISION

The Board will review this Charter at least annually.

9 REFERENCES

CleanCo Queensland Limited Constitution

ASX Governance Corporate Governance Council (2014) Corporate Governance Principles and Recommendations, 4th edition.

Queensland Government (Treasury) – Corporate Governance Guidelines for Government Owned Corporations (Version 2.0 – Released February 2009)

