



# Board Charter

<b>Title:</b>	Board Charter
<b>Approved by:</b>	QCN Board
<b>Responsible lead:</b>	QCN Chair
<b>Audience:</b>	QCN Board
<b>Brief description:</b>	The Board Charter sets out the key roles, composition and responsibilities of the Board
<b>Periodicity of review:</b>	Every 2 Years
<b>Approved:</b>	March 2024
<b>Next Scheduled Review Date:</b>	March 2026

## Version History

Version	Date	Section(s)	Summary of Amendment
1.0	20/09/2019	All	Amendments reflecting change in the company name from FibreCo to QCN Fibre.
2.0	30/10/2020	Various	Administrative amendments to reflect the operation of the QCN Fibre and the Board.
		5	Amend Board self-assessment of its performance to be at least every two years.
3.0	21/3/2022	Various	Annual review.
4.0	18/3/2024	Various	Annual review.

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# 1 Introduction and purpose

The Board of Queensland Capacity Network Pty Ltd (ACN 633 081 517) (**QCN** or the **Company**) has adopted this Board Charter to set out the way in which the Board will govern the Company.

QCN is both a proprietary company limited by shares incorporated under the *Corporations Act 2001* (Cth) (the **Corporations Act**) and a subsidiary of the Government Owned Corporation (**GOC**) Queensland Electricity Transmission Corporation ACN 078 849 233 (**Powerlink**). To the extent applicable to GOC subsidiaries, the provisions of the *Government Owned Corporations Act 1993* (Qld) (**GOC Act**) apply to QCN.

The company's corporate governance is critical to the Company's success, and the Board is committed to best practice governance, relative to the size and nature of the Company as a GOC subsidiary. In so doing the Board endorses the Corporate Governance Guidelines for Government Owned Corporations in so far as the guidelines apply to GOC subsidiaries.

This Charter (the Charter) sets out the key roles, composition and responsibilities of 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 value of QCN and create longer-term value.

The basic responsibility of the Board is to act in the best interests of the corporation and its shareholders. This includes:

- Setting the corporation's values and standards of conduct and ensuring that these are adhered to.
- Providing leadership for the corporation within a framework of prudent and effective controls.
- Setting the corporation's direction, strategies and objectives.
- Monitoring management's performance and implementation of strategy.
- Ensuring an effective system of corporate governance exists.

The Board focus on strategy includes: 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 ensure that QCN achieves its strategic objectives in compliance with 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, contractors and the public

- Ensuring that due diligence is exercised to meet QCN's work, health and safety obligations.

#### 2.1.2 Strategy and operations

- Providing input to, approving and monitoring the strategic objectives and budget for QCN in alignment with the expectations of its shareholding GOCs and the Queensland Government.
- Approving and monitoring control and accountability processes and systems.
- Ensuring ethical behaviour and compliance with laws and regulations, accounting and auditing standards, and QCN's governing documents.
- Annually, or as required by shareholding GOCs, evaluate financial, operational, management and corporate performance against agreed objectives.
- Reporting to shareholding GOCs.

### **2.1.3 Risk management**

- Setting QCN's risk appetite, overseeing the risk management framework , 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.
- 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 and 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).
- Overseeing selection, appointment, and assessment of the performance of, the senior executives against performance objectives.
- 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 QCN employees.

### **2.1.5 Governance and compliance**

- Overseeing the review and update of corporate governance practices and procedures as necessary to support QCN commitment to best practice corporate governance and compliance requirements.
- Approving the Code of Conduct which underpins QCN's culture which includes setting appropriate standards of behaviour for Directors, employees, consultants, contractors and visitors of QCN as expressed in the Code of Conduct.
- Overseeing 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.
- Actively promoting ethical and responsible decision making.
- Overseeing the work of any 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**

- Providing input to, approving and monitoring the annual budget and five-year forecasts for QCN in alignment with the expectations of shareholding GOCs.
- Ensuring the adequacy and effectiveness of key aspects of QCN's financial management, reporting and accounting practices including approval of accounting policies.
- Approving and providing to shareholding GOCs the financial reports for the Company and all other information reasonably necessary for the shareholding GOCs to comply with its planning and reporting obligations under the GOC Act or other applicable laws.
- Approving Company's financial accounts if and as required, and providing them to the shareholding GOCs.
- Approving any other financial matter.

### **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 QCN through consistent and ethical behaviour towards stakeholders, transparency and accountability evidencing commitment to QCN's values, Code of Conduct and underlying policy framework.
- Delivering QCN'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 QCN operates.

## 2.2 Responsibility of individual Directors

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

Specifically, they must:

- Discharge their duties in good faith and in QCN'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 QCN's Code of Conduct and the underlying policy framework;
- notify other Directors of a personal interest and avoid conflicts and potential conflicts of interest wherever possible and where conflicts arise, comply with their statutory duties and QCN'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;
- make reasonable enquiries if relying on information or advice provided by others; and
- not engage in conduct likely to bring discredit or damage the Company's reputation.

A Director has an obligation, at all times, to comply with the spirit, as well as the letter of the law and with the principles of this Charter.

## 3 Authority and delegation

The Board retains control over its statutory obligations, key strategic decisions and monitoring of issues that significantly impact QCN. 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 Authorisations Policy. The Authorisations 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 Authorisations Policy are reserved for the Board's approval.

The Board has delegated general authority to the CEO to manage and operate QCN on a day-to-day basis, in accordance with the Authorisations Policy.

## 4 Board composition

All Directors are appointed in accordance with QCN's Constitution as updated from time to time.

### 4.1 Chair

The Chair is responsible for the leadership of the Board, the efficient organisation and conduct of the Board's functions, and briefing of all Board members about issues arising at Board meetings.

The Chair will facilitate the input of all Board members, and promote constructive and respectful relations between Board members, and between the Board and management.

## 4.2 Company secretary

The role of the Company Secretary is to assist the Board to effectively fulfil its strategic role and to facilitate good corporate governance. The Company Secretary works with the Chair and the CEO on all matters relating to the functioning of the Board. The Company Secretary's responsibilities include:

- being a point of reference and contact for the Board and QCN staff members about Board matters;
- being responsible for the coordination of all Board and Committee business, including agendas, board papers and minutes;
- facilitating the Board's and, if relevant, any committees' self-assessment process and following-up on outcomes from that assessment; and
- communicating and coordinating with relevant bodies on the reporting requirements including all statutory or other filings.

## 5 Remuneration, evaluation and performance

Board remuneration, including Committee fees, is set by Cabinet, based on the recommendations of the shareholding Ministers of QCN's shareholding GOCs.

The Board will conduct a self-evaluation of its performance at least every two years.

## 6 Information access and professional advice

The Board and any 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 QCN's expense.

Board members may, with the prior approval of the Chair, seek independent professional advice (including legal, accounting or other advice by experts or consultants) in relation to the performance of their Board member duties at QCN's expense. The expense is limited to \$5,000 for any one issue, unless otherwise approved by the Chair.

## 7 Committees

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

## 8 Charter review

The Board will review this Charter at least every two years.