

# STANWELL CORPORATION LIMITED

## BOARD CHARTER

### INTRODUCTION

The Board is primarily responsible for ensuring that Stanwell Corporation Limited (Stanwell) has an appropriate corporate governance structure which creates and protects shareholder value.

The conduct of the Board is governed by Stanwell's Constitution, the *Corporations Act 2001* (Cth) (Corporations Act) and the *Government Owned Corporations Act 1993* (Qld) (GOC Act).

Stanwell endorses the Corporate Governance Guidelines for Government Owned Corporations, which align (to the extent applicable) with the ASX Principles of Good Corporate Governance.

This Board Charter sets out the role, responsibilities and authority of the Board, the Chair, individual directors, the Chief Executive Officer and the Company Secretary within Stanwell's governance framework.

## 1 ROLE, RESPONSIBILITIES AND AUTHORITY OF THE BOARD

The Board of Stanwell is ultimately accountable to its shareholding Ministers for the good governance and successful operation of the company.

While the Board retains accountability to the shareholding Ministers, it has delegated its power and authority to manage and supervise the management of the day to day operation of Stanwell and its wholly owned subsidiaries to the Chief Executive Officer (CEO).

In undertaking its role and fulfilling its responsibilities, the matters reserved to the Board include, but are not limited to:

### 1.1 Health Safety and Wellbeing of Employees and Contactors

- Monitor the progress of Stanwell's commitment to the elimination of work related injuries and occupational illnesses.
- Exercising due diligence to ensure that Stanwell meets its work health and safety obligations.

### 1.2 Strategy

- In alignment with the expectations of Stanwell's shareholding Ministers (as detailed within the Shareholder Mandate), oversee the development of Stanwell's corporate strategy in conjunction with the CEO.
- Approving the Statement of Corporate Intent and the Corporate Plan.
- Decision making in relation to significant matters of a sensitive, extraordinary or strategic nature including:
  - significant acquisitions and disposals, capital management issues and significant internal restructures; and
  - approving business cases covering investment or expenditure initiatives above the CEO's delegated approval threshold as contained within the Board Delegation of Authority Policy.

### 1.3 Performance Oversight

- Overseeing the conduct and performance of Stanwell including monitoring performance against measures and targets.
- Monitoring the progress of strategic initiatives, major capital expenditure programs, projects, capital management, acquisitions and divestments.

|                        |                          |                           |                  |
|------------------------|--------------------------|---------------------------|------------------|
| WRITTEN BY: K .Buckley | ENDORSED/CHECKED BY: PSC | APPROVED BY: Board        | DATE: 27.03.2019 |
| Doc No: GOV-STD-02     | Revision No: 8           | Revision Date: 27.03.2019 | Page: 1 of 5     |

Approved via Committee Memorandum Number: BD-19-03-6.2

THIS DOCUMENT IS UNCONTROLLED IN HARD COPY FORMAT

## 1.4 Governance

- Overseeing the review and update of corporate governance practices and procedures as necessary to support Stanwell's commitment to best practice corporate governance.
- Monitoring and influencing Stanwell's culture, values, reputation and ethical standards.
- Actively promoting ethical and responsible decision making.
- Overseeing the work of the Board committees and attending to matters referred to it by the Committees.
- Approving Board delegations of authority to the CEO and general and specific powers of attorney.

## 1.5 Senior Executive Appointments, Performance and Remuneration

- Approving Stanwell's overall remuneration framework.
- Endorsing for shareholding Minister approval the appointment of, assessing the performance of, determining the remuneration of and, should it be necessary, terminating the employment of, the CEO.
- Approving the appointment of and assessing the performance of, the senior executives.
- Approving succession plans for the CEO, senior executives and other organisational critical roles.

## 1.6 Financial

- Ensuring the adequacy and effectiveness of key aspects of Stanwell'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.
- Approving the annual target and five year financial plan.
- Approving the payment of ordinary and special dividends.
- Overseeing approvals in relation to related party transactions.

## 1.7 Risk Management

- Monitoring the adequacy and effectiveness of the systems and internal controls used to manage Stanwell's significant risks, as implemented by management, including the identification, assessment, mitigation and control of these risks.
- Receiving statements from management in relation to the effectiveness of risk management and internal control systems implemented to address significant risks.

## 1.8 Compliance

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

## 1.9 Stakeholder Liaison

- Building trust in Stanwell through consistent behaviour, transparency and accountability and commitment to Stanwell's values, Code of Conduct and underlying policy framework.
- Delivering Stanwell'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 Stanwell operates.
- Reporting to shareholding Ministers in accordance with the requirements of the Corporations Act and the GOC Act.

## 2 ROLE AND RESPONSIBILITIES OF THE CHAIR

The Chair is appointed by the Governor in Council. Appointment is for a specified period.

The Chair is responsible for:

- providing leadership to the Board;
- chairing Board meetings;
- ensuring that the Board reaches clear conclusions at Board meetings and that these decisions are properly recorded in the Minutes;
- managing the efficient organisation and conduct of Board functions;
- 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 biennially evaluate the Board's individual and collective performance;
- maintaining liaison with shareholding Ministers and reporting their views back to the Board;
- facilitating the bi-annual evaluation of the CEO's performance against the achievement of agreed performance measures; and
- representing Stanwell as otherwise required from time to time.

## 3 RESPONSIBILITY OF INDIVIDUAL DIRECTORS

All directors must comply with their legal, statutory and equitable duties and obligations when discharging their responsibilities as directors.

Directors must:

- discharge their duties in good faith and in Stanwell's best interests and for a proper purpose;
- act with 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 Stanwell's Code of Conduct and the underlying policy framework;
- avoid conflicts of interest wherever possible and where conflicts arise, comply with their statutory duties and Stanwell's policies and procedures;
- notify other directors of a personal interest when a conflict arises in accordance with Stanwell's policies and procedures;
- not make improper use of information gained through their position as a director;
- not take improper advantage of their position as a director;
- make reasonable enquiries if relying on information or advice provided by others; and
- prevent Stanwell from incurring a debt while it is insolvent.

## 4 ROLE AND RESPONSIBILITIES OF THE CHIEF EXECUTIVE OFFICER

The CEO's appointment is endorsed by the Board for shareholding Minister approval in accordance with Stanwell's Senior Executive Appointments and Remuneration Policy.

The CEO is responsible for:

- ensuring a safe workplace for all employees;
- providing leadership to the Corporation;
- the day to day operational management of Stanwell;

- acting within the delegations of authority granted to the CEO by the Board as contained within the Board Delegation of Authority Policy;
- maintaining a comprehensive set of management delegations to allow management to carry out the business activities of Stanwell;
- ensuring that all employees act with the highest degree of ethics and probity;
- developing with the Board for Board approval, Stanwell's strategy and associated performance objectives in alignment with its Shareholder Mandate;
- establishing a system of internal controls and audits, to identify and manage risks that are material to the business of Stanwell; and
- establishing the terms and conditions of employees in accordance with policies approved by the Board.

## 5 ROLE AND RESPONSIBILITIES OF THE COMPANY SECRETARY

The Company Secretary is appointed by the Board in accordance with the Corporations Act.

The Company Secretary is responsible for:

- organising Board meetings and director attendance;
- coordinating the completion and dispatch of the Board agenda and briefing materials;
- preparing Minutes of meetings and resolutions of the Board; and
- Stanwell's compliance with its requirements under the Corporations Act regarding registered office, statutory registers, annual returns and notices to be lodged with the Australian Securities and Investment Commission.

## 6 COMPOSITION

The directors of Stanwell are appointed by the Governor in Council in accordance with the GOC Act. Appointments are for a specified period.

The number of directors of Stanwell is the number that is appointed from time to time by the Governor in Council under the GOC Act.

All directors of Stanwell, including the Chair, are non-executive directors.

## 7 COMMITTEES

The Board may discharge any of its responsibilities through committees of the Board established in accordance with the Corporations Act, the GOC Act and Stanwell's Constitution.

The Board has two committees with clearly defined responsibilities and delegated authority. The committees the Board has established are:

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

The purpose and responsibilities and delegated powers of the committee are contained within their respective charters. These are reviewed annually for appropriateness.

## **8 REVIEW OF CHARTER**

The Board will review this Charter annually to ensure that it remains appropriate.

## **9 PUBLICATION OF THE CHARTER**

A copy of the Charter will be made available at <http://www.stanwell.com>