



Contents

1. Board Charter	3
1.1 Introduction	3
1.2 Board size, composition and independence	3
1.3 The Board's role and responsibilities	3
1.4 The Board and management	4
1.5 Board committees	4
1.6 Chair of the Board	4
1.7 Directors' general responsibilities	4
1.8 Directors' legal duties	5
1.9 Chief Executive Officer	5
1.10 Company Secretary	5
1.11 Management	5
1.12 Meetings	5
1.13 Conflicts	5
1.14 Access to information and independent advice by directors	6
1.15 Review of performance	6

1. Board Charter

1.1 Introduction

The ASC Board is responsible for the corporate governance of the ASC Group, noting however that ASC is wholly owned by the Australian Government and is subject to direction by the Minister for Finance. In addition, as a Government Business Enterprise (GBE), ASC is subject to the GBE guidelines.

The purpose of this Board Charter is to:

- promote high standards of corporate governance;
- clarify the roles and responsibilities of the Board and management; and
- enable the Board to provide strategic guidance for the Group and effective management oversight.

1.2 Board size, composition and independence

The Constitution provides that there must be a minimum of three directors and a maximum of nine directors (in each case, not including alternate directors).

The Board should comprise:

- a. a majority of non-executive directors;
- b. directors with an appropriate range of skills, experience and expertise;
- c. directors who can understand and competently deal with current and emerging business issues; and
- d. directors who can effectively review and challenge the performance of management and exercise independent judgment.

Each director is appointed by the Minister pursuant to formal letter of appointment.

1.3 The Board's role and responsibilities

The Board acts in the best interests of ASC as a whole and on behalf of the shareholder (currently the Minister for Finance, representing the Australian Government) and is accountable to shareholders for the overall strategic direction, management and corporate governance of the Group.

At a broad level, the Board is responsible for determining and fostering a corporate culture within the organisation that is appropriate to the Group, having regard to factors such as:

- a. its ownership structure;
- b. the industry or industries in which it operates, and the interests of key stakeholders; and
- c. size and market position.

Subject to the Commonwealth Authorities and Companies Act 1997, the constitution and directions from the Minister, the Board is responsible for:

- a. overseeing the Group, including control and accountability systems;
- b. appointing and monitoring the performance of the CEO and the Company Secretary and, where appropriate, the removal of the CEO and Company Secretary;
- c. approving other executive appointments, organisational changes and senior management remuneration policies and practices;
- d. monitoring and reviewing senior management's performance and implementation of strategy, and verifying that appropriate resources are available;
- e. providing strategic advice to management;
- f. determining the strategy of the Group and monitoring the performance of objectives;
- g. approving and monitoring the progress of major capital expenditure, capital management, acquisitions and divestitures, as well as financial and other reporting;
- h. approving budgets and other key performance indicators, reviewing the Group's performance against them and monitoring the implementation of necessary corrective;
- i. reviewing and ratifying systems of risk management, internal control and legal compliance to satisfy itself that appropriate compliance frameworks and controls are in place;
- j. reviewing and overseeing the implementation of the Group's code of conduct for directors and executives;

- k. appointing Board committees and approving the composition, and any charters, of Board committees;
- l. monitoring and verifying compliance with legal and regulatory requirements, ethical standards and policies including, but not limited to:
 - i. the strategies that address climate risks and ensure disclosures reflect ASC's governance, strategy, risk management, and performance metrics related to climate change; and
- m. exercising due diligence to ensure that ASC complies with its work, health and safety obligations including by taking reasonable steps to:
 - i. acquire and keep up-to-date knowledge of work health and safety matters;
 - ii. gain an understanding of the nature of ASC's operations and the hazards and risks within those operations;
 - iii. ensure appropriate resources are available and processes implemented to enable hazards to be identified and risks eliminated or minimised;
 - iv. ensure that ASC has appropriate processes for receiving and considering information regarding incidents, hazards and risks, and responding in a timely way to that information;
 - v. ensure the business implements processes for complying with work health and safety laws, regulations and codes of practice; and
 - vi. verify the provision, and use, of the resources and processes referred to above.

1.4 The Board and management

Responsibility for day to day management and administration of the Group is delegated by the Board to the CEO and the executives.

The CEO manages the Group in accordance with the strategy, plans and policies approved by the Board.

The Board will satisfy itself that procedures are in place to assess the performance of the CEO and the executives.

1.5 Board committees

The Board has established an Audit Committee (assisted by the Group Internal Auditor under the Internal Audit Charter), a Business Assurance and Security Committee (assisted by the Executive Risk Management Committee under the Executive Risk Management Committee Charter) and a

Nomination and Remuneration Committee to assist the Board in carrying out its responsibilities, to share detailed work and to consider certain issues and functions in detail.

The committees' charters set out the matters relevant to the composition, responsibilities and administration of the relevant committee, and have been approved by the Board.

The committees will review their charters from time to time as appropriate and will report and make recommendations on the same to the Board. All changes to committee charters are made by the Board.

1.6 Chair of the Board

The Chair:

- a. is appointed by the Minister;
- b. must be a non-executive director; and
- c. will not ordinarily be the same person as the CEO and the CEO will not ordinarily become the Chair.

The responsibilities of the Chair include:

- a. providing leadership to the Board and the Group, and ensuring the Board provides leadership and vision to the Group;
- b. promoting effective debate and the efficient organisation and conduct of the Board's functions;
- c. facilitating and directing Board discussions to enable core issues facing ASC to be addressed;
- d. facilitating the effective contribution and ongoing development of all directors; and
- e. promoting constructive and respectful relations between Board members and between the Board and management.

1.7 Directors' general responsibilities

Directors are expected to:

- a. attend and participate in Board meetings and meetings of committees on which they serve;
- b. review meeting materials before Board meetings and committee meetings;
- c. ask questions of, request information from, and raise any issue of concern with management;
- d. where possible, ask any questions and raise issues of concern before a meeting so that management is prepared to address them;
- e. exercise independent judgment when making decisions;
- f. publicly support the letter and spirit of Board decisions even if they disagree with those decisions; and

- g. keep confidential Board information, discussions, deliberations and decisions which are confidential and not publicly known.

1.8 Directors' legal duties

Directors are also expected to comply with their legal duties when discharging their responsibilities as directors. Broadly, these duties are to:

- a. comply with all legal requirements including any directions of the Minister;
- b. act in good faith and in the best interests of ASC;
- c. act with care and diligence;
- d. act for proper purposes;
- e. avoid a conflict of interest or duty; and
- f. refrain from making improper use of information gained through the position of director or taking improper advantage of the position of director.

1.9 Chief Executive Officer

The CEO is responsible to the Board for the day to day management and administration of ASC and is required to manage ASC in accordance with the strategies, policies and procedures endorsed by the Board.

In addition, the CEO's duties and responsibilities are as set out in the CEO's contract of employment and are also determined by the common law.

The responsibilities of the CEO include:

- a. implementing, actioning and otherwise approving all such actions and initiatives as are required in order to achieve ASC's strategic and operational direction, as approved by the Board;
- b. ensuring that transactions outside the CEO's delegation levels are referred to the Board for approval; and
- c. taking reasonable steps to ensure that all actions taken by ASC comply with ASC's strategies, policies and procedures, as in force from time to time.

1.10 Company Secretary

The Company Secretary is responsible for carrying out the administrative and legislative requirements of the Board, including:

- a. ensuring that the agenda for Board meetings is prepared in a timely and effective manner prior to meetings (conferring with the Chair and CEO in so doing);

- b. in conjunction with the CEO, ensuring that Board papers are prepared in a timely and effective manner prior to meetings;
- c. coordinating and, where requested, attending meetings of the Board and members and promoting the use of correct meeting procedures;
- d. preparing minutes of meetings;
- e. providing recommendations to the Board regarding the form and content of any resolution to be passed by the Board;
- f. in conjunction with the CEO and the executives, carrying out the instructions of the Board and giving practical effect to the Board's decisions;
- g. promoting compliance by ASC with all statutory and regulatory compliance requirements; and
- h. working with the CEO, the Chair and the Board to establish and deliver best practice corporate governance by ASC.

1.11 Management

Management is responsible for ensuring that the Board is apprised of all relevant information in a timely way so as to enable the Board to discharge its duties.

Without limiting the foregoing, management must ensure that the implications of any proposal are brought to the Board's attention.

In consultation with the Chair and CEO, directors have the right to have access to, and discuss relevant matters with, management. Conversely, management has the right to bring to the Board's attention matters that might adversely affect ASC's reputation or performance.

1.12 Meetings

The Board should meet at least nine times per year.

Directors are to be provided with all necessary information to participate fully in an informed discussion of all agenda items.

1.13 Conflicts

Directors are expected to be sensitive to conflicts of interest or duty that may arise and mindful of their fiduciary obligations.

Directors must:

- a. disclose to the Board any actual or potential conflict of interest or duty that might reasonably be thought to exist as soon as the situation arises;

- b. take necessary and reasonable action to resolve or avoid any actual or potential conflict of interest or duty; and
- c. comply with the Corporations Act 2001 and the Constitution in relation to disclosing material personal interests and any restrictions on voting.

In particular, a director having a material personal interest in a matter must not:

- a. be counted in a quorum;
- b. vote on that matter; and
- c. be present while that matter is being considered by the meeting.

1.14 Access to information and independent advice by directors

Directors have access to any information they consider necessary to fulfil their responsibilities and to exercise independent judgment when making decisions. Directors have access to:

- a. management to seek explanations and information from management; and
- b. auditors, both internal and external, to seek explanations and information from them without management being present.

Directors may seek any independent professional advice they consider necessary to fulfil their responsibilities and to exercise independent judgment when making decisions in accordance with the procedure agreed by the directors.

If the Chair consents or if authorised by a majority of the Board, ASC will pay a director's costs of seeking independent professional advice.

1.15 Review of performance

The performance of the Board, the directors and executives will be reviewed periodically by the Board.

ASC Pty Ltd

ACN 008 605 034

Registered and Head Office

694 Mersey Road North, Osborne

South Australia 5017

T +61 8 8348 7000

F +61 8 8348 7001

W asc.com.au

Find and follow us on:

