

Board Charter

1. Scope

The Board's duties, functions, roles, and responsibilities are governed by the *Corporations Act 2001* (Cth) (CA), the *Water and Sewerage Corporation Act 2012* (Tas) (WSCA), TasWater's Constitution, and common law as relevant.

To the extent that this Charter is inconsistent with the CA, WSCA or TasWater's Constitution, each of those other documents will prevail to the extent of that inconsistency.

2. Authority

Subject to relevant legislation and the Constitution, the Board may delegate its powers.

The Board Delegations Manual details those matters specifically reserved to the Board and those powers delegated to management.

3. Composition

TasWater's Constitution provides that an independent, skills-based Board of a maximum of seven independent directors, including the Chair, will be appointed by the Board Selection Committee on behalf of shareholders.

4. Meetings

4.1. Conduct of meetings

The Board shall meet as often as reasonably required but must meet at least quarterly.

Directors will endeavour to attend Board meetings in person or via audio-visual means. Members unable to attend a meeting must advise the Chair and Company Secretary as soon as practicable and make all reasonable efforts to participate in the meeting by an alternative method.

The CEO and Company Secretary will attend all Board meetings. Other persons will be invited to attend meetings at the discretion of the Chair and CEO.

A quorum for Board meetings is four directors – one of whom must be the Chair or if the Chair is unavailable, the Deputy Chair. If no Deputy Chair has been appointed, the Chair may appoint another director to chair the meeting, or alternatively the Audit and Risk Committee Chair will act as the meeting chair.

TasWater's Constitution details the processes for convening and conducting Board meetings.

Decisions at Board and Committee meetings will generally be determined by consensus. If required, decisions will be agreed on a majority of votes cast by those attending the meeting. If the votes for and against are even, the proposed resolution is lost. The Chair of the meeting does not have a second/casting vote.

4.2. Form of meetings

Meetings may be held with all directors present in the one location, linked together through technology or a combination of both, as provided in the Constitution.

4.3. Resolutions without meetings

TasWater's Constitution details the process whereby the Board may pass a resolution without a meeting being held.

Any resolutions passed in this way will be noted at the next Board meeting and recorded in the minutes of that meeting.

4.4. Board minutes

All decisions will be formally recorded in the minutes of the meeting.

The Company Secretary will ensure minutes are prepared in draft form and provided to the Chair for review within five working days. Once the Chair has approved the draft minutes for distribution, the Company Secretary will circulate to directors. Minutes are confirmed by the Board, generally at the next meeting.

4.5. Annual agenda and meeting schedule

The Company Secretary will prepare an annual Board and Committee agenda that includes major activities to be carried out over the year.

The Company Secretary also maintains the Board and Committee Meeting Schedule. The Board aims to keep changes to meeting dates to a minimum to provide greater certainty to all directors.

5. Responsibilities

5.1. Directors' conduct

Directors will at all times act in accordance with the law and will observe the highest standards of ethical behaviour. Directors must comply with the TasWater Code of Conduct.

5.2. Role of the Board

The Board is accountable to shareholders for TasWater's performance. The Board provides overall strategic leadership and effective oversight of management in implementing TasWater's strategic objectives and instilling TasWater's values.

The Board:

- governs in accordance with the requirements of the WSCA and the Constitution to meet TasWater's objectives under the WSCA and taking into account the Shareholders' Letter of Expectations,
- adopts the ASX Corporate Governance Principles and Recommendations as the basis for its corporate governance framework,
- sets TasWater's strategic direction,
- provides entrepreneurial leadership within a framework of prudent and effective controls which enable risks to be assessed and managed,
- ensures that the necessary financial and human resources are in place to meet TasWater's objectives,
- establishes performance indicators, control mechanisms and related benchmarks to allow it to satisfy itself that TasWater is being properly managed,

- sets and monitors strategic requirements for effective financial reporting, risk management and management of the capital program,
- oversees management performance against objectives,
- sets TasWater's values and standards and ensures that its obligations to its shareholders and others are understood and met,
- engages and communicates effectively with shareholders and other stakeholders,
- appoints and removes the CEO and Company Secretary,
- determines TasWater's remuneration policy,
- reviews and approves the high-level organisational structure and succession plan, and
- establishes committees reporting to the Board, approves written charters for each and appoints members.

5.3. Role of individual Directors

Directors have fiduciary and other duties under both statute and the common law which are summarised as the duties to:

- act in good faith in the interests of TasWater as a whole,
- exercise powers for proper purpose,
- exercise care, skill and diligence,
- avoid conflicts of interests,
- not misuse the position of director and/or the information gained for personal benefit or to the detriment of TasWater, and
- retain discretionary powers.

5.4. Role of the Chair

The Board is collectively responsible for promoting the success of TasWater by directing and supervising its affairs.

As a director, the Chair holds the same formal role and responsibilities as other directors. However, the Chair also aims to ensure that the Board fulfils its role as expressed in this Charter. In this regard, the Chair:

- adopts a leadership role of the conduct of the Board's responsibilities,
- manages the Board in the discharge of its duties, by ensuring that the Board is in a position to meet, and does meet, its responsibilities,
- facilitates the effective contribution of all directors,
- promotes constructive and respectful relations between directors and between the Board and management,
- acts as the principal point of contact between the Board and the CEO, and maintains regular contact with the CEO to discuss matters of interest to the Board or other material developments,
- engages and communicates effectively with shareholders and other stakeholders,
- as agreed with the CEO, acts as a spokesperson for TasWater and carries out other ad hoc duties as appropriate on behalf of the Board, and
- ensures the Board fulfils its governance obligations.

5.5. Role of the CEO

The CEO is responsible to the Board for the general administration, operational management, planning, leadership and management of TasWater in accordance with the Board's requirements and the approved Board Delegations Manual.

The CEO will:

- advise the Board, on a regular basis, about the operational and financial performance of TasWater,
- immediately advise the Board of any material matter likely to seriously impact on TasWater,
- maintain regular contact with the Chair to discuss matters of interest to the Board or other material developments,
- ensure a dynamic and consultative interaction with the Board in setting the vision, objectives and corporate strategies of TasWater, and
- conduct day to day business in accordance with the WSCA, the Constitution, other relevant legislation and policies set by the Board.

5.6. Role of the Company Secretary

As an officer of TasWater, the Company Secretary is accountable directly to the Board, through the Chair, on all matters to do with the proper functioning of the Board.

The Company Secretary is responsible for:

- advising the Board and its committees on governance matters, including compliance with the CA, the WSCA and related legislative obligations,
- monitoring that Board and committee policy and procedures are followed,
- maintaining statutory registers and attending to ASIC lodgements,
- developing meeting agendas in conjunction with the relevant General Manager, CEO and Chair (as appropriate),
- ensuring that Board or Committee papers are available to directors a week before each Board meeting,
- recording, maintaining and distributing the minutes of directors' meetings,
- maintaining TasWater's Corporate Governance Framework,
- maintaining the Board Delegations Manual,
- developing and maintaining information systems and processes to assist the Board fulfil its role,
- providing secretarial services to the Board Selection Committee and the statewide Owners' Representative Group (unless decided otherwise),
- preparing agendas, minutes, briefing papers and attending TasWater's general meetings,
- maintaining a register of Board policies, codes and charters, and
- helping to organise and facilitate the induction and professional development of directors.

6. Conflicts of Interest

The CA and TasWater's Constitution require directors to disclose to the Board a material personal interest in a matter being or about to be considered by the Board and/or an interest in a matter that may conflict with the proper performance of the director's duties.

Disclosure of interests is a continuing obligation. The Company Secretary will maintain a register of standing declarations on behalf of all directors and further disclosure is invited at every Board and Committee meeting.

If a director becomes aware of any new or potential conflict of interest, it must be disclosed to the Chair and Company Secretary as soon as practicable but certainly before relevant papers are received or a discussion occurs at a meeting in which the conflict is realised.

The Chair and Company Secretary will review Board papers and limit access to those where a known conflict arises.

7. General

7.1. Board Committees

Each Committee established by the Board will have its own charter to govern its responsibilities, reporting obligations and the extent of its delegated authority.

7.2. Information-seeking protocol

The following protocol applies for directors when seeking information from TasWater:

- approach the CEO or Company Secretary to request the required information (with a copy to the Chair), noting that a Committee Chair may liaise directly with management on matters relevant to the Committee,
- approach the Chair if the information is not forthcoming,
- formally raise the matter in a Board meeting and request the matters be recorded in the minutes,
- if the information is still not forthcoming, write a letter to all TasWater's directors and the CEO detailing the information required, including the purpose of the information and how the director intends to resolve the matter, and
- as a last resort, employ the provisions of the CA.

7.3. Access to Board papers

The Company Secretary holds a complete set of Board papers on behalf of each director at least for the statutory period of seven years while TasWater exists. Directors are entitled to access relevant papers for the period they were a director if necessary to defend actions or claim against them, even if they have ceased to be a director.

7.4. Independent advice

The Board as a whole, and individual directors, has the right to access competent, independent advice regarding TasWater matters, at TasWater's expense.

It is the Board's responsibility to ensure that it is reasonable to rely on the advice received and that the advisor is competent and appropriately independent from management or other interested parties.

Advice requested by an individual director will be provided to all TasWater directors.

If requests for advice are not made during a Board or Committee meeting, they should be channelled through the Chair or Company Secretary.

7.5. Insurance

TasWater will maintain appropriate insurance covering all current directors and any former directors who retired or resigned from the Board within the last seven years.

Past directors are entitled to request a copy of the relevant policy cover.

7.6. Board Evaluation

Evaluations of the Board and its Committees will be conducted annually. The Board will determine the most appropriate method of assessment each year, and this may include external review from time to time.

The Chair is responsible for overseeing the process and reporting to the Board Selection Committee as required in the Constitution and Board Selection Committee Charter.

The Board commits to implementing agreed improvements emanating from reviews.

7.7. Director Induction

The Board Chair and Company Secretary will develop an appropriate and timely induction program to ensure new directors are able to participate fully and actively in Board decision making as soon as possible after appointment.

7.8. Director Development

In order to continually improve Board performance, all directors are encouraged to participate in professional development.

Directors will be offered resources and training to address any specific skills gaps identified. This may include education concerning key developments in TasWater, in the water industry and the environment in which it operates.

Directors are also encouraged to undertake self-development where appropriate.

TasWater maintains a budget for reasonable director development activities and directors who wish to undertake an activity, at TasWater's expense, should discuss this with the Chair.

8. Director remuneration and expense reimbursement

8.1. Directors' remuneration

The Owners' Representative Group (ORG) is responsible for determining the remuneration of the Chair and directors on the recommendation of the Board Selection Committee appointed by the Owners.

The remuneration framework is administered by the Board Selection Committee, in accordance with the Constitution, Owners' Representatives Group Charter and Board Selection Committee Charter.

8.2. Directors' expenses

Reasonable expenses incurred by directors in the course of TasWater business will be reimbursed as outlined below.

Travel and associated costs

- Directors shall either reimburse TasWater for private expenses incurred, or personally meet those expenses, if private travel is undertaken as an extension of TasWater travel.
- The Chair must approve the arrangements in advance, including any intention to seek reimbursement of appropriate expenses.
- Air travel and associated costs shall be ‘Economy Class’ using the most reasonable economy fare on the day of travel offered by licensed domestic airlines.
- Any travel upgrades and lounge memberships are the director’s personal expense and will not be reimbursed by TasWater. However, directors may retain any travel-related loyalty points for personal use.
- Directors who are normally resident in Tasmania and utilise their private vehicles for TasWater business will be paid a per kilometre motor vehicle allowance (at the applicable rate set by the Australian Tax Office) for travel outside their hometown.
- Use of a private vehicle shall be at the director’s own risk.
- Taxi hire, car costs and car parking fees whilst on TasWater business will be reimbursed. Directors may utilise TasWater’s corporate rental rate.

Accommodation and meals

- The Executive Assistant to the Company Secretary will book accommodation on behalf of the directors attending Board and Committee meetings or similar meetings.
- Directors are entitled to claim reimbursement of reasonable meal costs while on TasWater business.

Incidental expenses

- Directors are required to cover their own telephone, office and IT expenses.
- Directors are entitled to claim reimbursement of other reasonable incidental expenses, which will be assessed by the Chair on a case by case basis.

9. Review of Charter

The Board will review this Charter at least three yearly.

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