

Board Charter

This Charter sets out the role, responsibilities, structure and processes of the Board of directors of Hughenden Irrigation Project Corporation Pty Ltd (HIPCo).

1 Roles and Responsibilities

- 1.1 The role of the Board is to approve the purpose, values, and strategic direction of HIPCo, guide and monitor the management of HIPCo in achieving its strategic plans, review, approve and monitor HIPCo's risk management systems across its businesses, and to oversee overall good governance practice.
- 1.2 The Board is responsible for:
- (a) approving HIPCo's purpose;
 - (b) approving HIPCo's strategy, business plans and policies;
 - (c) monitoring HIPCo's strategic direction and portfolio of activities, and overseeing management in its instilling of HIPCo's values;
 - (d) setting HIPCo's risk appetite and monitoring and reviewing HIPCo's financial and non-financial risk management systems, including internal compliance and control mechanisms;
 - (e) approving the annual financial statements (including the directors' report) and any other published reporting, and in accordance with the Constitution, Corporations Act, and any other applicable regulations;
 - (f) approving and monitoring operating budgets;
 - (g) authorising payment of dividends¹;
 - (h) overseeing HIPCo's accounting and corporate reporting systems, reviewing the effectiveness of these systems in ensuring they result in adequate, accurate and timely information being provided to the Board, and appointing, re-appointing or removing HIPCo's external auditors and approving the auditor's remuneration;
 - (i) approving and monitoring the effectiveness of HIPCo's system of corporate governance, including formation of Board committees and the terms of applicable governing charters;
 - (j) monitoring and guiding the culture, reputation and standards of conduct of HIPCo;
 - (k) approving HIPCo's Code of Conduct and other HIPCo level policies, monitoring their effectiveness, and addressing any material breaches;
 - (l) approving HIPCo's remuneration policies, and ensuring these policies are aligned with HIPCo's purpose, values, strategic objectives, and risk appetite;
 - (m) determining the size, composition and structure of the Board, and the process for evaluating its performance;

¹ Funding is from Grant Deed and as such no dividends will be paid.

- (n) appointing and removing the CEO, and approving the remuneration of and overseeing the performance review of the CEO;
- (o) approving and reviewing succession plans for the CEO;
- (p) whenever required, challenging management and holding it to account;
- (r) monitoring HIPCo's performance in delivering its strategic plans;
- (s) approving and monitoring the systems and policies to ensure integrity of budgets, financial statements and other reporting;
- (t) overseeing and approving strategies for HIPCo to maintain a strong balance sheet over time;
- (u) overseeing the management of HIPCo's interactions, disclosures and communications with shareholders and the broader community, and overseeing the effectiveness of HIPCo's sustainability policies; and
- (v) reviewing the division of functions and responsibilities between the Board, CEO and management team.

2 The Role of Management

- 2.1 The day-to-day management of HIPCo and its businesses is the responsibility of HIPCo CEO, supported by the management team.
- 2.2 The Board delegates to the CEO all powers to manage the day-to-day business of HIPCo, subject to those powers reserved to the Board in clause 1 and any specific delegations of authority approved by the Board.
- 2.3 The key responsibilities of the CEO are to:
 - (a) manage and administer the day-to-day operations of HIPCo and its businesses in accordance with the purpose, values, strategy, business plans and policies approved by the Board;
 - (b) develop strategies for HIPCo, its businesses and management, and make recommendations to the Board on such strategies;
 - (c) develop HIPCo's annual budget and conduct HIPCo's activities within the approved annual budget;
 - (d) develop strategies for HIPCo to maintain a strong balance sheet over time;
 - (e) develop and maintain HIPCo's risk management systems, including internal compliance and control mechanisms and ensure HIPCo is operating within the risk appetite set by the Board;
 - (f) report regularly to the Board with accurate, timely and clear information, such that the Board is fully informed to discharge its responsibilities effectively;
 - (g) implement the policies, processes and codes approved by the Board;
 - (h) exercise such additional powers as are delegated to the CEO by the Board from time to time; and
 - (i) instil and reinforce HIPCo's purpose and values to support a culture that promotes ethical and responsible behaviour.

3 Composition, Size and Structure of the Board

- 3.1 **Composition** The Board is responsible for determining an appropriate mix of skills, knowledge, experience, expertise and diversity on the Board, necessary to review and approve the strategic direction of HIPCo, and to guide and monitor the management of HIPCo.
- 3.2 **Size** The number of directors on the Board shall be determined in accordance with the Constitution and the requirements of the Corporations Act.
- 3.3 **Structure** The Board shall consist of a majority of non-executive directors who satisfy the criteria for independence in clause 9.
- 3.4 **Induction** The Board is responsible for preparing an induction program for new directors. This is to be tailored to their existing skills, knowledge and experience and is intended to equip them with skills to most effectively add value to HIPCo.
- 3.5 **Qualifications** The Board is responsible for periodically reviewing Board composition, skills and experience, and making recommendations in relation to:
- (a) the need for existing directors to undertake professional development to maintain the skills and knowledge needed to perform their role as directors effectively and ensure directors receive briefings on material developments in laws, regulations and accounting standards relevant to HIPCo; and
 - (b) Board appointments, including preparing a description of the role and capabilities required for a particular Board appointment, identifying suitable candidates to fill Board vacancies as and when they arise, and nominating candidates for the approval of the Board.
- 3.6 **Tenure**
- (a) The Board will review periodically its composition and the duration of terms served by directors.
 - (b) An executive director shall tender their resignation as director immediately upon cessation of employment with HIPCo.
- 3.7 **Performance Review** The Board is responsible for undertaking an evaluation process to review its performance and that of its committees annually.

4 Appointment and Responsibilities of Chairman

- 4.1 The Board shall appoint a Chairman in accordance with the Constitution.
- 4.2 The Chairman must be one of the non-executive directors who satisfy the criteria for independence in clause 9.
- 4.3 The role of Chairman must not be held by someone who is performing the role of CEO.
- 4.4 The responsibilities of the Chairman include:
- (a) promote constructive and effective relations between the Board and management and between directors;
 - (b) facilitate the effective contribution of all directors; and
 - (c) lead the Board;
 - (d) ensure the efficient organisation and conduct of the Board's function;
 - (e) brief all directors in relation to issues arising at Board meetings;



- (f) chair general meetings of HIPCo; and
- (g) exercise such specific and express powers as are delegated to the Chairman by the Board from time to time.

5 HIPCo Secretary

- 5.1 The Board must appoint at least one secretary in accordance with the Constitution.
- 5.2 Appointment and removal of HIPCo Secretary is subject to Board approval.
- 5.3 The HIPCo Secretary is accountable to the Board, through the Chairman, on all matters to do with the proper functioning of the Board.
- 5.4 Each director has a right of access to the HIPCo Secretary at all times.
- 5.5 The role of the HIPCo Secretary includes:
 - (a) advising the Board and Board committees on governance matters;
 - (b) monitoring that Board and committee policy and procedures are followed;
 - (c) co-ordinating the timely completion and dispatch of Board and committee papers;
 - (d) ensuring that the business at Board and committee meetings is accurately captured in the minutes; and
 - (e) helping to organise and facilitate the induction and professional development of directors.

6 Committees of the Board

- 6.1 The Board may from time to time establish and delegate any powers to a committee of the Board in accordance with the Constitution.
- 6.2 The Board is responsible for approving and reviewing the charter terms and membership of each committee established by the Board. The performance of each committee is to be reviewed by the Board, which will also consider whether any amendments to the relevant charter are necessary.
- 6.3 All non-executive directors shall be entitled to attend meetings of Board committees where there is no conflict of interest.

7 Board Meetings

- 7.1 The Board shall meet at least eight times per year, and otherwise as often as the directors determine necessary to enable the directors and the Board to fulfil their duties and responsibilities to HIPCo.
- 7.2 A director may call a meeting of the directors, and the HIPCo Secretary must, if requested by a director, call a Board meeting.
- 7.3 The HIPCo Secretary is responsible for distributing Board meeting papers to directors prior to each meeting.
- 7.4 A quorum for a Board meeting shall be determined in accordance with the Constitution.
- 7.5 The Chairman is responsible for the conduct of all Board meetings, including briefing all directors in relation to the issues arising at Board meetings. The Chairman has a casting vote, subject to the terms of the Constitution.

7.6 Draft minutes of each Board meeting shall be prepared by the HIPCo Secretary promptly following the meeting for review by the Chairman.

8 Ethical Standards and Legal Duties

8.1 **Code of Conduct** Each director shall abide by the terms of HIPCo's Code of Conduct and is expected to uphold the ethical standards and corporate behaviour described in the Code.

8.2 **Duties** The Board will operate in a manner reflecting the values of HIPCo and in accordance with its agreed corporate governance guidelines, the Constitution, the Corporations Act and all other applicable laws and regulations.

8.3 **Conflicts of interest** Each director has a fiduciary and statutory duty not to place themselves in a position which gives rise to, or is perceived to give rise to, a real or substantial possibility of conflict, whether it be a conflict of interest or conflict of duties. Each director is required:

- (a) to ensure that the Board is notified (whether by formal standing notice or notification to the HIPCo Secretary or Board immediately on becoming aware) of any such conflicts of interest; and
- (b) if any matter is or likely to be brought before the Board which could give rise to such a conflict of interest, then the director:
 - shall disclose this to the Board;
 - shall continue to receive Board papers or other information which relates to the matter which is the subject of the conflict of interest, unless the director requests, or the Chairman determines, that he or she shall not receive any or all of those documents;
 - shall withdraw from any part of a Board or Board Committee meeting for the duration of any discussion; and
 - not vote on the matter, unless a majority of directors who do not have an interest in the matter resolve that the disclosed interest should not disqualify the director.

9 Independence of Directors

9.1 If a director is or becomes aware of any information, facts or circumstances which will or may affect that director's independence, the director must immediately disclose all relevant details to the HIPCo Secretary, and the Chairman.

9.2 The Board will regularly assess the independence of each director in light of disclosures made in accordance with clause 9.1.

9.3 If the Board determines that a director's status as an independent director has changed, that determination should be disclosed and explained in a timely manner.

9.4 An independent director is a non-executive director who is not a member of management and who is free of any interest, position, association, business or other relationship that might influence or be perceived to influence, in a material respect, the independent exercise of their judgement.

9.5 In considering whether a director is independent and the criteria against which the Board determines the materiality of a relationship, the Board is to have regard to:

- (a) the interests, positions and relationships affecting the independent status of a director as described in the ASX Corporate Governance Principles and Recommendations;

- (b) the materiality guidelines applied in accordance with Australian accounting standards;
- (c) developments in International corporate governance standards; and
- (d) any independent professional advice sought by the Board at its discretion.

The Board considers a relationship to materially influence, or be perceived to materially influence, a director's independent judgement, where it is of substance and consequence and there is a real and sensible possibility that it would affect the director's judgement.

10 External Directorships

Non-executive Directors

- 10.1 A non-executive director should continually evaluate the number of boards of companies (and any committees of those boards) on which the non-executive director serves, to ensure that each company can be given the time and attention to detail required to properly exercise the director's powers and discharge the director's duties.
- 10.2 A non-executive director shall notify the Chairman prior to accepting an invitation to become a director of any company (other than HIPCo or any related body corporate). Prior to accepting such an invitation, the director must have regard to:
- (a) the views and recommendations of the Chairman with respect to the director acting simultaneously as a director of HIPCo and as a director of an external entity (whether in competition with HIPCo or not);
 - (b) any current policies of the Board on multiple directorships; and
 - (c) best practice standards on multiple directorships.

Executive Directors

- 10.3 An executive director shall not accept an invitation to become a director of any company (other than HIPCo or any related body corporate) without the prior approval of the Board.

11 Independent Advice

- 11.1 The Board collectively, and each director individually, may obtain independent professional advice at HIPCo's expense, as considered necessary to assist in fulfilling their relevant duties and responsibilities.
- 11.2 Individual directors who wish to obtain independent professional advice should seek the approval of the Chairman (acting reasonably) and will be entitled to reimbursement of all reasonable costs in obtaining such advice.

12 Confidentiality

The directors acknowledge that all proceedings of the Board and its committees are strictly confidential and will not be disclosed to any person other than Board members, except as agreed by the Board or as required by law.

13 Review of Charter

The Board will from time to time review the Charter to ensure that it meets best practice standards and meets the needs of HIPCo and the Board.