



**Stanwell Corporation Limited**  
ABN 37 078 848 674

# Board Handbook

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## Introduction

Stanwell Corporation Limited (Stanwell) is committed to best practice corporate governance and processes that will enhance Stanwell's effectiveness and ensure the appropriate degree of accountability and transparency to stakeholders.

Stanwell defines governance as '*the system by which the Corporation is directed, managed and held to account*'. It incorporates the culture, structures and processes for decision-making, accountability, control and behaviour.

It provides the framework within which:

- the Board is accountable to shareholding Ministers for the successful operation of Stanwell;
- the strategies and goals of Stanwell are set and agreed;
- the key risks to Stanwell are identified and managed; and
- ethical values and behaviours, and responsible decision-making is promoted, through a fair and just culture.

Stanwell's obligations to comply with all relevant legislation, laws, regulations and standards and codes originates from its corporatisation as a government owned corporation, pursuant to the *Government Owned Corporations Act 1993 (Qld)* and as a public company and a company limited by shares under the *Corporations Act 2001 (Cth)*.

Stanwell's Board Handbook is based on the legal obligations and best practice corporate governance standards as set out within:

- the *Corporations Act 2001 (Cth)* (Corporations Act);
- the *Government Owned Corporations Act 1993 (Qld)* (GOC Act); and
- the *Corporate Governance Guidelines for Government Owned Corporations – Version 2*.

The Board Handbook should be read in conjunction with the Stanwell Constitution, Board Charter, Shareholder Mandate, Board Delegation of Authority Policy and Stanwell's Code of Conduct and its underlying policy framework.

## 1. Key Board Functions

### 1.1. The Board and Strategy

The Queensland Government has developed a Shareholder Mandate for each of the Government owned electricity businesses. The Shareholder Mandate seeks to frame the energy landscape in which Stanwell operates, including the Government's energy market and broader policy objectives and clarify shareholders' expectations in relation to:

- the current areas of Stanwell's core business;
- the parameters for pursuing any business opportunities outside of core business;
- Stanwell's debt repayment strategy, capital structure and cash surplus balances; and
- Shareholder return measures.

The Shareholder Mandate does not compromise the responsibility and accountability of the Stanwell Board for the setting of corporate strategy.

Under the GOC Act, Stanwell is required to prepare two strategic documents; these being the Corporate Plan and Statement of Corporate Intent. These documents must align with and reflect the direction of, its Shareholder Mandate and, provide a transparent set of agreed performance criteria and strategic objectives on which to report to the shareholding Ministers via the Quarterly Report process.

The general content of these documents and the process for ministerial submission are outlined in the following section. To develop the objectives, initiatives and performance measures and targets underlying these documents, the Board has developed the planning process detailed in 1.1.2.

#### 1.1.1. Strategy Formulation – Regulatory Framework

##### The Corporate Plan

Part seven of chapter three of the GOC Act specifies that each Company GOC must have a Corporate Plan (s.94). In preparing the plan, the GOC must also comply with any ministerial guidelines on form or content (s.96).

The legislated process for the preparation of the Corporate Plan is outlined below:

- A draft Corporate Plan must be submitted to the shareholding Ministers no later than two months before the start of each subsequent financial year (s.97(1)).
- The Board and the shareholding Ministers must endeavour to reach agreement on the draft plan as soon as possible and in the case of a draft corporate plan for subsequent financial years, in any event no later than the start of the financial year. When it has been agreed to by the shareholding Ministers, the draft plan then becomes the plan for the relevant financial year (s.99).
- The Corporate Plan may be modified either by the Board, with the agreement of the shareholding Ministers (s.101(1)), or by direct written notice from the shareholding Ministers (s.101(2)).

## The Statement of Corporate Intent

Like the Corporate Plan, s.102 of the GOC Act specifies that a GOC must have a Statement of Corporate Intent (SCI) for each financial year. The SCI operates as a performance agreement between the Stanwell Board and the shareholding Ministers. The SCI must be consistent with the Corporate Plan (s.104).

Section 105 of the Act specifies that the SCI must include:

1. financial and non-financial performance targets; and
2. the GOC's community service obligations and its employment and industrial relations plan.

The process for preparation of the SCI is similar to that of the Corporate Plan, as outlined below:

- The Board is to submit a draft SCI to the shareholding Ministers no later than two months before the start of each subsequent financial year (s.107(1)(b)).
- The Board and shareholding Ministers are to reach agreement on the draft SCI before the start of the financial year (s.107(2)).
- The Ministers may request further consideration or revision of the draft SCI, and the Board must comply with this request as a matter of urgency (s.108).
- The SCI can be modified by the Board, with agreement of the shareholding Ministers, or on written notice of the Ministers (s.111).
- The Board is required to report against the SCI to the shareholding Ministers on both a quarterly (s.119) and annual basis (s.120). The Board is also required to prepare an Annual Report in accordance with the Corporations Act.

### 1.1.2. Strategy Formulation – Stanwell Process

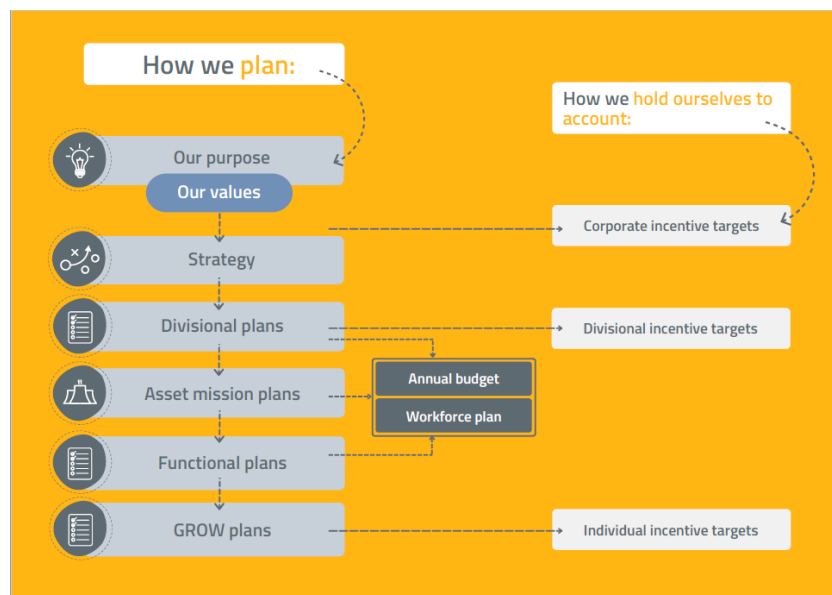
In order to achieve its Board approved objectives and targets, Stanwell develops performance for the long term through a process which promotes clarity of outcomes, rigour in measurement and objective feedback and correction.

This process includes:

- (a) developing strategy that aligns with Stanwell's Shareholder Mandate and the expectations of its shareholders;
- (b) translating strategy into objectives and initiatives each with specific performance measures and targets;
- (c) developing the annual budget, five year financial plan and implementation plans that resource and support initiatives;
- (d) measuring and reporting the performance of initiatives against targets;
- (e) reviewing and adapting Stanwell's strategy in response to changes in the business environment that may materially impact on business performance and achievement of targets, or at the request of shareholding Ministers; and
- (f) reporting and communicating performance to shareholding Ministers and other stakeholders, both as required under law and to best support Stanwell's achievement of its objectives and targets.

The Board leads the development and ongoing review of Stanwell's strategy via a number of mechanisms:

- ongoing consideration of changes occurring in the business' political, environmental, social, technological, legislative, regulatory and economic environments as well as the impact those changes may have on the business;
- oversight of emerging risks, the progress towards Stanwell's Target risk profile, and Risk Appetite Statement tolerance settings; and
- an annual workshop where the Board considers those trends which are affecting the business and refines and evolves the strategy to ensure Stanwell is best placed to achieve its long term goals.



## 1.2. Partnership with the Chief Executive Officer

A key Board responsibility is to build a strong and productive relationship with the Chief Executive Officer (CEO) built upon mutual trust. Recognising that the CEO–Board relationship is critical, directors should be open and honest in their dealings with the CEO. It is expected that the Chair will play a key part of this role and maintain regular contact with the CEO.

All advice should be constructive in nature and be provided in a positive manner.

## 1.3. Chief Executive Officer Performance Review

A detailed review of the CEO's performance is undertaken by the People and Safety Committee every six months. The review is instigated and coordinated by the Chair. This process is based upon goals established for the CEO by the Board and considers individual stretch and behavioural dimension targets and measures.

The performance review is subject to full Board deliberation, with actions recommended by the Board communicated to the CEO through the Chair.

## 1.4. Monitoring Performance

An essential function of the Board is to monitor the performance of the organisation in implementing its strategy and overall operational performance. During the annual strategic planning process, the Board will work with the CEO to develop goals and initiatives, each with specific measures and targets. These will be monitored by the Board via the CEO's Monthly Report.

## 1.5. Stakeholder Engagement

Stanwell is committed to safeguarding and strengthening its corporate reputation via strategic and effective stakeholder engagement and communication. All communications regarding Stanwell (either formally or informally) should promote its business direction to enhance shareholder value and position the organisation to achieve its strategic objectives.

### 1.5.1. Board Stakeholder Engagement – Stanwell Process

Strong relationships with key community leaders and shareholding Ministers are important in terms of managing reputation risk and creating receptive environments for corporate initiatives.

The Stanwell Board has an established practice of meeting with regional stakeholders in its host communities on an annual basis. This contact is designed to support and complement the regular contact that key 'front line' employees have with community stakeholders.

Other Board stakeholder engagement activities include annual luncheons with Stanwell's shareholding Ministers which provide an opportunity for directors to converse with, and convey agreed corporate key messages. Additionally, luncheons are held at operational sites for all employees when the Board or a Board committee meeting is held at these sites.

A Board Stakeholder Engagement Plan is prepared annually for the Board's approval.

### 1.5.2. Engagement with Internal and External Stakeholders

There will be times when directors will be approached for comment by external (media, government, community) groups or individuals. On such occasions, director(s) should:

- refrain from disclosing any significant information, documents or other forms of data without prior discussion or consultation with the Chair;
- refrain from performing any activities on behalf of an individual/group without prior discussion or consultation with the Chair; and
- report the individual/group who contacted the director, the reason (explicit or inferred) for the contact and any other relevant information as soon as possible to the Chair.

## 1.6. Health, Safety and Well-being Employees

The *Work Health and Safety Act 2011 (WHS Act)* imposes a specific duty on Directors and Officers of corporations to exercise due diligence to ensure that the corporation meets its workplace health and safety obligations. The duty requires Directors and Officers to be proactive in ensuring that the corporation complies with its duties.

In demonstrating due diligence, Directors and Officers need to show that they have taken reasonable steps to:

- acquire and update their knowledge of health and safety matters;
- understand the operations being carried out by the person conducting the business or undertaking in which they are employed, and the hazards and risks associated with their operations;
- ensure that the person conducting the business or undertaking has, and uses, appropriate processes to eliminate or minimise health and safety risks arising from work being done; and



- ensure that the person conducting the business or undertaking has, and uses processes for complying with duties or obligations under the WHS Act.

The Board has established the People and Safety Committee to, amongst other things:

- review, and to the extent such a policy requires Board approval, make recommendations to the Board in relation to corporate-wide policies relating to the health, safety and well-being of Stanwell employees, contractors and visitors;
- monitor the adequacy of and effectiveness of key aspects of Stanwell's workplace health and safety practices;
- monitor Stanwell's organisational health and safety culture development; and
- monitor the adequacy and effectiveness of Stanwell's compliance with health, safety and environmental legislation and regulations by employees, contractors and visitors and review audit outcomes of that compliance as required.

### 1.7. Compliance

The Board is responsible for ensuring that Stanwell has appropriate frameworks and controls in place and that they operate effectively to ensure compliance with relevant laws, regulation, contractual obligations and industry codes.

It has established the Audit and Risk Management Committee to, amongst other things:

- review the effectiveness of Stanwell's Compliance and Regulatory Management System for identifying, monitoring and managing compliance with relevant laws, regulations and associated government policies; and
- review and if necessary make recommendations to the Board on breaches of key compliance requirements.

### 1.8. Risk Management

The Board is responsible for 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.

It has established the Audit and Risk Management Committee to, amongst other things:

- review the Stanwell Enterprise Risk Management Framework for identifying, monitoring and managing significant business risks and consider whether the process and internal controls effectively identify and manage areas of potential material risk;
- monitoring Stanwell's risk culture to ensure that there is an open and honest approach to the application of risk management practices that will assist Stanwell to make better business decisions;
- monitor and if necessary make recommendations to the Board in respect of the adequacy and effectiveness of key aspects of Stanwell's trading risk identification and management practices; and

- monitor and if necessary make recommendations to the Board in respect of the adequacy and effectiveness of Stanwell's Business Resilience Framework.

### 1.9. Delegation of Authority

Under Rule 5.1 of Stanwell's Constitution, the Board may, through resolution, delegate its powers to specific directors, employees or Board committees. As such, the Board must decide which Corporation matters if any, are to be delegated and what controls are in place to oversee the operation of these delegated powers.

Individual directors have no individual authority to participate in the day to day management of Stanwell except where the Board explicitly delegates an authority to the director individually. All such delegations must be implemented by Board resolution, and noted in the minutes of the relevant meeting.

Committees and their members require specific delegations from the Board as a whole and these will be contained within each Committee's Charter.

#### 1.9.1. Standing Delegation of Authority

The general approach to the standing delegation of its powers adopted by the Board is that:

- the Board reserves certain decisions to itself for approval;
- the Board delegates specific standing powers and authority to certain Stanwell employees and bodies; and
- subject to the above, the Board delegates its power and authority to manage and supervise management of the day to day operation of Stanwell to the CEO.

## 2. Key Governance Processes

### 2.1. Code of Conduct

Stanwell has a Code of Conduct which applies to its directors, employees and to all contractors working for or at Stanwell.

Stanwell's Code of Conduct is made up of seven principles:

1. We contribute to a safe workplace and strive to achieve 'zero harm' today;
2. We act ethically at all times;
3. We treat others with fairness and respect and value diversity;
4. We identify conflicts of interest and manage them responsibly;
5. We respect and maintain privacy and confidentiality;
6. We comply with this Code, the law, Stanwell's contractual commitments and Stanwell's policies and procedures; and
7. We immediately report any breaches of this Code, the law or Stanwell's policies and procedures.

The Code is supported by a number of policies that form part of the Stanwell Code of Conduct Policy Framework. These documents are available to view in the Stanwell Board Portal.

In addition to the Code of Conduct Framework Policies, the following governance processes apply specifically to directors (individually) and the Board (as a whole).

### 2.2. Conflicts of Interest

The directors of Stanwell are subject to a range of legal requirements relating to the management of actual, perceived and potential conflicts of interest, including:

- (a) the provisions of the Corporations Act applicable to directors relating to the declaration and management of their 'material personal interests' (sections 191-195), and the similar provisions of Stanwell's Constitution (Rule 6.3, 6.4 and 6.5);
- (b) the fiduciary duties of directors to avoid conflicts of interest;
- (c) the other statutory and fiduciary duties of directors including the duties to act in good faith, in the interests of the company as a whole and not to misuse position or information gained as a director, CEO or Senior Executive; and
- (d) the obligation to avoid conflicts of interest imposed through contracts of employment.

#### 2.2.1. Management of Conflicts of Interest – Stanwell Process

It is the individual director's responsibility to be aware of situations which may give rise to a conflict of interest, and where they do arise to deal with them ethically and in accordance with legal requirements and Stanwell's *Conflict of Interest Policy* (GOV-POL-27) and the *Procedure for Managing Conflicts of Interest for Directors, CEO and Senior Executives* (GOV-PROC-19).

In order to help those directors who have extensive and complex private interests (which may be relevant to the affairs of Stanwell) manage any conflict of interest situations, the following process has been implemented:

- (a) Directors will be invited to provide a 'register' (list, excel spread-sheet etc) of these interests, which will be attached to their signed Standing Notice of Interest;
- (b) the Standing Notice of Interest will be 'tabled' at the following scheduled Board meeting and be made available in Stanwell's Board Portal for viewing by all Directors; and
- (c) Directors (who wish to participate in this process) will be reminded in the 1st week of each month, to review their registers and if any changes have occurred, to provide the Company Secretary with an updated register.

### 2.3. Assessment of Director Independence

In accordance with Principle 2 of the *Corporate Governance Guidelines for Government Owned Corporations* and the *Stanwell Independence of Directors Procedure (GOV-PROC-27)*, the Board is required to assess the independence of directors upon appointment and review the independence of directors annually.

#### 2.3.1. Test of Director Independence

The test of whether a relationship is material is based on the nature of the relationship and the circumstances of the director. Materiality is considered from the perspective of Stanwell, the director and the person or entity with which the director has a relationship.

The test that is used by the Board to determine whether a director is independent is 'whether there are a reasonable number of individual members of the Board who, when properly informed, consider, given the circumstances, that the director would NOT be able to exercise objective, unfettered and independent judgement'.

The materiality threshold for the purpose of assessing the materiality of any relationship between a director and Stanwell or any other interest of a director which may impact a director's independence will be judged according to the significance of the relationship to the director in the context of their activities as a whole. The Board will apply a conservative assessment of the significance of any relationship when determining materiality.

The *Conflicts of Interest Policy (GOV-POL-27)* and the *Procedure for Management of Conflicts of Interest for Directors, CEO and Senior Executives (GOV-PROC-19)* will apply where a director is considered to have a material interest which is deemed to interfere with his or her independence.

### 2.4. Related Party Transactions

Transactions between Stanwell and a related party raise a number of potential legal issues:

- directors may breach fiduciary duties owed to Stanwell if they fail to separately consider and act in the best interests of the Company, as distinct from the best interests of the related party; and
- the transaction may breach Chapter 2E of the Corporations Act, which subject to certain exceptions, prohibits public companies from giving a

financial benefit to a related party of the public company without shareholder approval. Directors and other persons involved in the negotiations and the related party may be liable for civil penalties for a breach of Chapter 2E.

#### 2.4.1. Related Party Transactions – Stanwell Process

When negotiating and entering into arrangements between Stanwell and related parties, the CEO will:

- bring the proposed arrangements to the Board for approval;
- act in the best interests of Stanwell without regards to the related party's interest;
- ensure that any transaction that confers a financial benefit of any kind to a related party is conducted on an arm's length basis and provide confirmation to the Board that the proposed arrangement is on terms or conditions which are no more favourable to the related party than would be reasonable to expect if the parties were dealing at arms length terms in the same circumstances;
- if considered necessary by the Board, obtain independent legal advice whether a transaction is on normal commercial terms and, in particular, to evaluate or recommend the price payable; and
- ensure that appropriate and properly authorised persons are responsible, on behalf of Stanwell, for negotiating any arrangements between related parties.

### 2.5. Director Protection

#### 2.5.1. Regulatory Framework

Directors may be exposed to both liability and personal risk in the fulfilment of their duties. The Corporations Act and Stanwell's Constitution, contain specific provisions to protect Stanwell's directors against these risks.

The Stanwell Constitution (Rule 8.1) provides that every person who is or has been an Officer of Stanwell or a subsidiary of Stanwell is indemnified against any liability (other than a liability for legal costs or conduct that involves a lack of good faith or a pecuniary penalty) and reasonable legal costs incurred in defending an action of liability.

The Constitution (Rule 8.2) allows Stanwell to pay insurance premiums for an Officer in respect of a contract insuring a person who is or has been an Officer of the Corporation against any liability incurred by the person except a liability (other than legal costs) arising out of:

- a wilful breach of duty owed to Stanwell; or
- a contravention of section 182 or 183 of the Corporations Act.

The Stanwell Constitution (Rule 8.3) also allows the Company to enter into an Agreement with an Officer to give effect to the rights under Rule 8 on any terms and conditions that the Board thinks fit, including provisions relating to rights to access the books of the Company.

#### 2.5.2. Director Protection – Stanwell

Stanwell issues a Deed of Access, Insurance and Indemnity to directors which provide:

- a personal indemnity from the Corporation to the director;
- a requirement for the Corporation to ensure that it pays directors' and officers' insurance premiums and provides evidence of the payment (if requested);
- an obligation to provide directors with access to Corporation documents to defend themselves if they are sued; and
- a requirement to continue to comply with the above obligations for a period of time (seven years) after the director leaves the Corporation.

### 2.5.3. Directors' and Officers' Insurance

Stanwell has a Directors' and Officers' Insurance Policy, a copy of which can be obtained from the Company Secretary.

To maintain this insurance, the Insurer requires that directors regularly complete a claims declaration, providing the Insurer with information as to whether the directors have recently:

- received any legal documents alleging a wrongful act in their capacity as a director;
- received advice of a possible action to be taken against them alleging a wrongful act in their capacity as a director; or
- become aware of a circumstance or incident which may lead to an action being taken against any director, officer or employee of Stanwell.

## 2.6. Access to Independent Legal Advice

The Board has the authority to conduct or direct any investigation required to fulfil its responsibilities and has the ability to retain, at Stanwell's expense, such legal, accounting or other advice from consultants or experts as it reasonably considers necessary.

Each director, acting reasonably in the course of his or her duties, is entitled to seek independent professional advice at Stanwell's expense. The director should consult with the Chair or the Company Secretary if the Chair is conflicted, to facilitate this advice.

## 2.7. Board Evaluation

The Board performs three major roles in a company – it provides direction (that is, it sets the strategic direction of the company), it controls (that is, monitors the management of the company) and provides support and advice (that is, an advisory role).

A Board performance evaluation typically examines these roles of the Board and the resulting responsibilities and assesses how effectively these are achieved by the Board. Current governance practices are also reviewed to determine whether they are enabling the Board and individual directors to maximise their effectiveness.

The Board has established the People and Safety Committee to consider and approve the scope of, and evaluation approach.

Any enhancement opportunities identified during the evaluation are discussed and agreed by the Board with actions assigned and monitored.

## 2.8. Board Composition Matrix

Board composition is a broad term that encompasses issues such as who is on the Board and the skills mix of the Board. It involves both structural and cultural attributes and ultimately the Board's effectiveness depends on having the right mix of these skills.

The Board annually reviews its Composition Matrix and compares this with current and future requirements to identify any skills gaps. This information is used to inform Director succession planning and to identify professional development opportunities.

## 2.9. Director Professional Development

All directors are encouraged to participate in professional self-development activities. Directors who wish to undertake development activity at Stanwell's expense must seek the agreement of the Chair. If the Chair wishes to undertake a development activity at Stanwell's expense, the Chair must seek the approval of the Chair Audit and Risk Management Committee.

Membership of the Australian Institute of Company Directors (AICD) is encouraged for directors as this organisation provides a focal point of reference for best practice in corporate governance.

## 2.10. Director Induction

Stanwell has a comprehensive director induction program in place that involves the provision of key corporate documents, facilitation of site visits and meetings with the CEO and senior executives.

The induction program may be modified as required to ensure that it is appropriate for the new director's qualifications and experience.

The objective of the induction will be to enable the new director to gain an understanding of:

- Stanwell's financial, strategic, operational and risk management position;
- their rights, duties and responsibilities;
- the role of the Board and Board committees; and
- the meeting timetable and processes.

Information provided to the new director will include, but is not limited to:

- Stanwell's Constitution;
- Board Charter;
- Board Handbook;
- Board Delegation of Authority Policy;
- Deed of Access, Insurance and Indemnity;
- Stanwell's Code of Conduct and the underlying Framework Policies;
- the Annual Budget and Five Year Financial Plan;
- the Statement of Corporate Intent and Corporate Plan; and
- the Annual Report.

### 2.10.1. Director Information and Resources

A Director Information and Resources Folder is accessible from the Stanwell Board Portal. The purpose of this folder is to ensure that directors have 24 hour access to current information about Stanwell including policies, procedures, contacts and calendars. Directors are provided with a copy of the folder's contents list during their induction and are promptly advised of any updates to the information contained within.

## 3. Board Meeting Processes

### 3.1. Regulatory Framework

#### 3.1.1. The Corporations Act 2001 (Cth)

The provisions of the Corporations Act that apply to replaceable Rules are displaced by the Stanwell Constitution and do not apply to the Company.  
**Stanwell Constitution**

In summary, under Stanwell's Constitution, directors may at any time convene a meeting of directors (Rule 10.2). The convenor must give reasonable notice of the meeting (and it is adjourned, of its resumption) individually to each director who is not suspended or on Approved Leave of Absence at that time (Rule 10.3). Additionally, directors may regulate their meetings as they see fit (Rule 10.1). Rule 10.4 permits Board meetings to be held by the directors communicating with each other by any technological means consented to by all of the Directors. The consent may be a standing one.

The number of directors necessary for a quorum is half the number of directors appointed, (not including Directors suspended on an Approved Leave of Absence) and if that number is not a whole number then the next highest whole number (Rule 10.6). A quorum must be present for the whole meeting.

Decisions of the Board will be determined by a majority of votes cast by directors entitled to vote on the resolution (Rule 10.7). The Chair of the meeting does not have a casting vote. If an equal number of votes is cast for and against a motion, the motion is defeated (Rule 10.7).

The Board may pass a circulating resolution without a meeting being held if a majority of the directors (not including Directors suspended or on an Approved Leave of Absence), entitled to vote on the resolution, sign a document containing a statement that they are in favour of the resolution. A Board resolution on these terms is passed when more than half of the Directors entitled to vote on the resolution have signed (Rule 10.8).

Directors may consent to a circulating resolution by giving the Company notice (including by fax, email, or other electronic means) addressed to and received by the Company Secretary or Chair that signifies the Directors' assent to the resolution (Rule 10.8)

#### 3.1.2. Subsidiaries

The Constitutions of each subsidiary within the Stanwell Group contain provisions that while the company is a wholly owned subsidiary, the directors may, subject to the Corporations Act, act in the best interests of Stanwell.

Each subsidiary within the Stanwell group has delegated their power and authorities to a committee comprised of members of the Stanwell Board (referred to as the Governing Committee), to discharge their duties under the Corporations Act and other applicable law.



## 3.2. Board Meetings

Board meetings are a fundamental component of the governance processes. Each Board meeting is critical as it is the main opportunity for directors to:

- obtain and exchange information with the Executive Leadership Team;
- obtain and exchange information with each other;
- delegate authority; and
- make decisions.

### 3.2.1. Meeting Frequency and Time

Board meetings are scheduled to take place up to nine times in a calendar year. Board meeting dates may be changed at the reasonable request of a director and subject to the availability of other directors. Board meetings will commence at a time agreed to by the directors.

### 3.2.2. Meeting Venue

Board meetings will usually be held in the 'Boardroom' meeting room, Level 2, 180 Ann Street, Brisbane. From time to time, Board meetings may be held at other external venues or at any of the Stanwell sites.

### 3.2.3. Meeting Attendees

Attendees to Board meetings will usually comprise:

- all directors;
- the CEO; and
- the Company Secretary.

In addition, members of the Executive Leadership Team or other senior managers may be invited to attend the whole or part of the meeting.

The Chair or a majority of directors may request any other person to attend a meeting who, in the opinion of the Chair or the majority of directors, may be able to assist the Board in any matter under consideration.

### 3.2.4. Directors' Pre-meeting

Directors may convene a meeting without management being present, prior to the commencement of the Board meeting.

### 3.2.5. Meeting Critique

As part of the commitment to improve Board meeting processes, the last item on the Board agenda will be a critique of the Board meeting. The critique will be recorded in the Minutes. The agenda usually identifies the director responsible for the critiquing of each meeting. The critique should be a two stage process as follows:

1. The director conducting the critique will provide a verbal report on the following issues:
  - overall conduct of the meeting;
  - the appropriateness of agenda items and time spent discussing those;
  - Board papers and resolutions – their content, format and clarity;
  - the clarity of the decisions reached;

- participation by directors and the appropriateness of that participation; and
  - ideas for improvement; and
2. General discussion by the Board on the critique. Such discussion should focus on what improvements could be made to content and process of future Board meetings.

### 3.2.6. Conduct of Meetings

The Chair will manage the meeting consistent with the generally accepted procedures for the conduct of meetings. As such, the Chair will:

- determine the level of formality required at each meeting;
- retain sufficient control to ensure the authority of the Chair is recognised;
- ensure that all directors are able to hear and be heard; and
- ensure that the decisions and debate are completed with a formal resolution recording the decision reached.

### 3.2.7. Expectations of Directors in the Board Meeting Process

A director shall, in good faith, behave in a manner that is consistent with generally accepted procedures for the conduct of meetings at all meetings of the Board and the Board committees.

This will include, but is not limited to:

- acting in a business like manner;
- acting in accordance with the Stanwell Constitution and Board Charter;
- acting in accordance with Stanwell's Code of Conduct and its underlying policy framework;
- acting in accordance with Stanwell's values;
- using judgement, common sense and tact when discussing issues; and
- ensuring that others are given a reasonable opportunity to put forward their views, for example refraining from interruption or interjection when another director or person is speaking.

Directors are expected to:

- be forthright in Board meetings and have a duty to question, request information, raise any issues and cast their vote on any resolutions according to their decision;
- support the letter and spirit of Board decisions in discussions with stakeholders and shareholding Ministers; and
- keep confidential all Board discussions and deliberations. All confidential information received by directors in the course of their director duties remains the property of Stanwell.

### 3.2.8. Information Seeking Protocol

In order to ensure that all directors receive timely and appropriate information, requests for information and documentation by individual

directors outside of the Board and Board Committee meetings should be made through the Chair, CEO or Company Secretary. A copy of the information or documentation provided to the individual director will be provided to all directors.

### 3.3. Board Papers

At Stanwell, an individual paper presented to the Board is known as a Board Memorandum. In combination, these constitute a set of Board papers. The CEO and the Company Secretary are responsible for the preparation and circulation of Board papers.

Board members are encouraged to contact the Chair, CEO or Company Secretary prior to a Board meeting to discuss any issues that may require clarification.

The Stanwell Board papers will be circulated to directors five days prior to the Board meeting in electronic format via Stanwell's Board Portal.

The Company Secretary will maintain a complete set of Board papers at Stanwell's Brisbane office. These papers are maintained both for the Company as a whole and the directors individually.

### 3.4. Board Agenda

The Board meeting agenda is important as it shapes information flow and subsequent discussion.

An agenda will be prepared for each meeting. Generally, this will contain:

- Formalities – Confirmation of Minutes, Actions Arising and Declarations of Conflicts of Interest;
- Chair's Report;
- Chief Executive Officer's Report;
- Key Strategies;
- Approvals;
- Approvals having received Committee endorsement;
- Noting Papers; and
- Governance – Minutes of Board Committee meetings, Board Committee Chair verbal report and the Secretariat Governance Report

### 3.5. Minutes

Section 251a(1) of the Corporations Act provides that a company must keep a minute book in which it records within one (1) month:

- (a) proceedings and resolutions of the company's members;
- (b) proceedings and resolutions of directors' meetings (including meetings of a committee of the directors');
- (c) resolutions passed by members without a meeting; and
- (d) resolutions passed by directors without a meeting.

The Company must ensure that minutes of a meeting are signed within a reasonable time after the meeting by one of the following: (section 251A(2)):

- (a) the Chair of the meeting; or
- (b) the Chair of the next meeting.

### 3.5.1. Timing

The Company Secretary is responsible for ensuring minutes of Board and Board Committee meetings are taken and that Minutes are signed by the Chair of the meeting and inserted into the Minute Book within one (1) month of the meeting occurring.

### 3.5.2. Content and Style

Minutes will contain a brief reference to the relevant Board paper, other information that the Board may request to be included, plus the official resolution adopted by directors.

Directors who dissent can ask to have their decision noted in the minutes.

### 3.5.3. Process

A first draft of the Minutes is prepared within five (5) working days of the meeting and provided to the Chair and CEO for review and comment. Once comments have been received from the Chair and CEO (normally within eight (8) working days of the meeting), the Company Secretary will circulate a second draft (incorporating the Chair and CEO's comments) to all directors (or Committee members). Directors will advise the Company Secretary of any comments on the second draft minutes within five (5) working days of receiving them.

In the event that the next Board or Committee meeting does not occur within one month of the previous meeting, at the expiration of the five (5) working day period (and if no further comments are received), the second draft Minutes will be provided to the Chair of the Board or Board Committee for signing and inserted into the Minute Book.

The Minutes will then be provided to the next scheduled Board or Committee meeting for noting.

Once the minutes have been signed by the Chair, they can not be amended.

## 3.6. Emergency Decision Making

### 3.6.1. Protocol for Consideration of Urgent Items at Board Meetings

Except in cases of urgency, all decisions requiring approval at a Board meeting must have an accompanying memorandum that is dispatched to directors as part of the Board pack.

If an urgent matter requiring Board approval is to be put before the Board, the following process is to be followed:

- the Chair is to be consulted to determine whether the matter should be considered at the Board meeting; and
- prior to its consideration, the Chair is required to seek the approval of the majority of the directors to consider the matter on an urgent basis. If a majority is not achieved, the matter will be deferred until the next meeting.

### 3.6.2. Written Resolutions

Any urgent matters that cannot wait until the next Board meeting, may in exceptional circumstances, be dealt with by a circulating resolution.

### 3.6.3. Process for Written Resolutions

If a matter cannot, due to urgency, be left to the next scheduled Board meeting and it is in relation to a matter that is capable of being dealt with

by a circulating resolution, the Company Secretary will recommend this approach to the Chair. The Chair may approve the use of a circulating resolution or call a meeting at short notice.

#### **3.6.4. Process for Meetings at Short Notice**

If a matter cannot, due to urgency, be left to the next Board meeting and is in relation to a matter that can not be dealt with by a circulating resolution, then the Company Secretary will recommend to the Chair that a meeting is convened at short notice. In these circumstances, the Company Secretary will provide notice of the meeting to all directors, seek their availability to attend and schedule the meeting to occur when a majority of directors can be present.

### **3.7. Board Calendar**

In order to provide an even distribution of work, the Board has adopted a rolling 12 month calendar. The Company Secretary develops the calendar for the ensuing year for the approval of the Board in the second half of the current year. The Board and Board Committee meeting schedule is developed to align with the Government Owned Corporations Planner.

### **3.8. Board Committees**

The Board has two committees, being:

1. Audit and Risk Management Committee; and
2. People and Safety Committee.

Each Board Committee has a Charter which clearly articulates its purpose, responsibilities and delegated authorities.

To the extent a Committee Charter does not address Committee processes, relevant Board processes apply.

Committee members and the Committee Chair are appointed upon the recommendation of the Chair of the Board.

The Chair of the Board is ineligible to be appointed the Chair of the Audit and Risk Management Committee but may be an appointed Committee member.

#### **3.8.1. Process for Board Agenda items that have been 'endorsed for Board approval' by a Board Committee**

The following Board meeting process applies in respect of agenda items that have been 'endorsed for Board approval' by a Board committee, as part of their delegated responsibilities:

- the Committee Chair provides details of the Committee's review and endorsement of the recommendation;
- the paper is 'taken as read'; and
- the remaining directors (non-committee members) are provided with an opportunity to raise queries or issues with Management.

## 4. Key Administration Process

### 4.1. Director Remuneration

#### 4.1.1. Remuneration

The fee structure is determined by the Government and advised to directors upon joining the Board. Additional fees are paid for membership of a Board Committee. Where a director is appointed during the year, fees will be prorated based on the number of days the director has held office.

#### 4.1.2. Superannuation

Stanwell contributes a percentage rate equivalent to the current Superannuation Guarantee levy of Board and Committee fees earned, to a superannuation fund nominated by the director.

### 4.2. Expenses

Where directors incur expenses in attending or returning from Board or Board Committee meetings, or otherwise in the execution of their duties, these expenses will be reimbursed. Directors must notify Company Secretariat of any such expenses and provide supporting receipts. Company Secretariat will then seek approval of the reimbursement from the Chair (or in the case of the Chair, seek approval from the Chair of the Audit and Risk Management Committee).

Examples of expenses that directors may incur in attending Board or Board Committee meetings, or otherwise in the execution of their duties, include travel expenses such as taxis or parking, data plans for iPads and mobile phone calls. Any expense claims made by directors for home to work travel will be treated as a reimbursement of costs incurred, rather than being paid in a c/km allowance. The reimbursement of expenditure will be classified as a fringe benefit and will not form part of the director's assessable income.

Director Travel Expense Claim Forms are to be completed for all travel reimbursements.

### 4.3. Parking

Parking at the corporate office will be provided to the Chair only. Directors will be reimbursed for parking expenses incurred on Stanwell business.

### 4.4. Domestic Travel

Travel should only be undertaken by directors where there is a demonstrated business case for the travel and in accordance with the Business-related Travel Policy. Such travel should contribute to the performance of Stanwell's objectives as specified within the Statement of Corporate Intent.

### 4.5. Overseas Director Travel

Directors may travel overseas only if they represent the Chair or hold expertise in a particular field that pertains to the purpose of the visit. Written approval must be obtained from the Board prior to any director commencing overseas travel.

### 4.6. Personal Protection Equipment

Directors will be provided with the following personal protective equipment upon appointment and receive replacements as required:

- hard hat;
- safety glasses;
- gloves and clip;
- high visibility shirt; and
- safety boots.

#### 4.7. Business Cards

Directors may request business cards for the purpose of undertaking Stanwell business only. Business cards will contain the following information:

- Stanwell logo;
- director's name;
- Stanwell landline;
- director's mobile (optional); and
- Stanwell e-mail address.

#### 4.8. Information Technology Equipment

Directors may elect to receive the following Information Technology equipment at Stanwell's expense:

- iPad

#### 4.9. Stanwell Board Portal

Stanwell has an online board information management portal for publishing meeting packs of the Board and its Board Committees. It also acts as an online 'reading room' providing directors with 24 hour access to other documents such as Directors' disclosure notices, corporate documents and reports and articles of interest.

The Board Portal is accessible via a secure hosted site. All users are required to log in with username and password and are encouraged to access meeting papers electronically using their iPad or laptop, rather than printing meeting books.

Comprehensive training will be provided on the use of the Board Portal by a member of Company Secretariat.

## 5. Revision History

Rev. No.	Rev. Date	Revision Description	Author	Approved By
1	13.11.2009	Handbook created	K.Buckley	Board
2	08.12.2010	Handbook updated to reflect current practice	K.Buckley	Board
3	29.05.2012	Handbook was updated to reflect new Stanwell Corporation's processes	K.Buckley	Board
4	21.08.2012	Handbook was updated to reflect amendments to the Board and Board Committee Minute Process	K. Buckley	Board
5	10.12.2013	Handbook updated to reflect constitution, governance arrangements and board portal amendments.	K. Buckley	Board
6	26.03.2015	Annual Review – no changes	K. Buckley	Board
7	06/12/2016	Handbook amended to reflect the operation of the Shareholder Mandate	K Buckley	Board
8	19/03/2018	Annual Review – minor changes	K Buckley	Board
9	26.02.2019	Handbook updated to reflect the revised process for the reimbursement of Director travel expenses	K Buckley	Board
10	24.02.2020	Annual review – updated to include terminology used in Stanwell's Enterprise Risk Management Framework.	K Buckley	Board
11	24.03.2021	Minor administrative amendments made to reflect Stanwell's new Shareholder Mandate	K Buckley	Board
12	28.10.2021	Amendments made to reflect Stanwell's new Constitution.	K Buckley	Board
13	28.08.2022	Annual review – minor amendments made to reflect contemporary governance practices	K Buckley	Board





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