



BOARD CHARTER

CLEAN ENERGY FINANCE CORPORATION

A body corporate established under section 8 of the *Clean Energy Finance Corporation Act 2012* (Cth) (the "**CEFC Act**")

BOARD CHARTER

Board Charter	i
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BOARD Charter	i
1 Purpose of this Board Charter	1
2 Legal Framework	1
3 Board membership	1
3.1 Composition of the Board	1
3.2 Chair	1
4 Functions and powers of the Board	1
5 performing the Board's functions	2
6 CEO Responsibilities	2
7 Conduct and Ethics	2
7.1 Code of Conduct and Ethics	2
7.2 Conflicts	2
8 Board Meetings	3
8.1 Frequency	3
8.2 Location	3
8.3 Company Secretary	3
8.4 Agenda	3
8.5 Minutes	3
8.6 Circular resolutions	3
9 Board Committees	4
9.1 Committees	4
10 Induction and ongoing Training	4
11 Access to advisers	4
12 Board and Board Committee's Performance Evaluation	4

1 PURPOSE OF THIS BOARD CHARTER

This document ("**Board Charter**") explains the governance framework of the Clean Energy Finance Corporation ("**CEFC**").

It should be read in conjunction with the *Clean Energy Finance Corporation Act 2012* (Cth) ("**CEFC Act**"), the *Public Governance, Performance and Accountability Act 2013* (Cth) ("**PGPA Act**") and the rules established by the Finance Minister under the *Public Governance, Performance and Accountability Act 2013* (Cth) ("**PGPA Rules** ").

2 LEGAL FRAMEWORK

The CEFC is a corporate Commonwealth entity established by the CEFC Act.

The CEFC Act and the PGPA Act prescribe:

- (a) the functions and obligations of the Board;
- (b) the composition of the Board;
- (c) the powers of the Board, including delegation powers; and
- (d) operational matters with respect to Board meetings.

Unless otherwise indicated, section references in this Board Charter are references to sections in the CEFC Act.

3 BOARD MEMBERSHIP

3.1 Composition of the Board

- (a) The Board is established by s13 of the CEFC Act.
- (b) The Board consists of the Chair and at least 4, and no more than 6, other members (s15).
- (c) Board members are appointed by the Responsible Ministers (as defined in the CEFC Act) by written instrument and on a part-time basis (s16(1)).

3.2 Chair

- (a) The Responsible Ministers must, by writing, appoint one Board member to be the Chair (s17).
- (b) The Chair must preside at all meetings at which he or she is present (s26(1)).
- (c) If the Chair is not present at a meeting, the other Board members present must appoint one of themselves to preside (s26(2)).

4 FUNCTIONS AND POWERS OF THE BOARD

- (a) The functions of the Board are prescribed by s14(1) as:
 - (i) to decide strategies and policies to be followed by the CEFC;
 - (ii) to ensure the proper, efficient and effective performance of the CEFC's functions; and
 - (iii) any other functions conferred on the Board by the CEFC Act.

- (b) The Board has power to do all things necessary or convenient to be done for or in connection with the performance of these functions (s14(2)).

5 PERFORMING THE BOARD'S FUNCTIONS

In practice, the Board performs its functions in five main ways:

- (a) setting strategic directions (eg, through the Investment Policies, Investment Guidelines and other strategic business plans);
- (b) setting key corporate policies (eg, risk management (including legal and financial risk management), corporate governance, information technology, remuneration and human resources);
- (c) supervising corporate performance (eg, by reviewing business performance and investment performance);
- (d) meeting its reporting obligations to Government (eg, by reporting on investment performance and publishing investment reports, by preparing an Annual Report and reporting “significant matters” under section 19 of the PGPA Act); and
- (e) Setting and assessing the performance of the CEO, including setting the remuneration of the CEO.

6 CEO RESPONSIBILITIES

- (a) The CEO is responsible for the day-to-day administration of the CEFC (s33(1)) and has power to do all things necessary or convenient to be done for or in connection with the performance of his or her duties (s33(2)).
- (b) The Board may give written directions to the CEO about the performance of the CEO's responsibilities (s33(4)).
- (c) The CEO may, in writing, delegate to a senior member of the staff any of the CEO's powers or functions under the CEFC Act (s80(1)).

7 CONDUCT AND ETHICS

7.1 Code of Conduct and Ethics

The Board will approve, and members of the Board will abide by, the Code of Conduct and Ethics which helps Board members and employees of CEFC to understand their responsibilities to uphold the goals and values to which CEFC aspires and to conduct business in accordance with applicable laws and regulations.

7.2 Conflicts

- (a) A Board member must, in accordance with the PGPA Act, give the other Board members notice of any material personal interest (including, for the avoidance of doubt, in relation to a Board member's duties and/or interests) in a matter that relates to the affairs of the CEFC (s29 of the PGPA Act).
- (b) A Board member who has a material personal interest (including, for the avoidance of doubt, in relation to a Board member's duties and/or interests) in a matter that is being considered at a Board meeting must, in accordance with the PGPA Act, not be present while that matter is being considered at the meeting or vote on the matter unless the non-interested members pass a resolution approving the interested director to vote and be present or the Responsible Minister makes a declaration to this effect (PGPA Rules).

8 BOARD MEETINGS

8.1 Frequency

- (a) The Board must hold such meetings as are necessary for the efficient performance of its functions (with at least 6 meetings convened each calendar year) (s25(1)).
- (b) The Chair must convene at least 6 meetings each calendar year (s25(3)).
- (c) The Chair or another Board member may convene a meeting (s25(3)). The Chair must convene a Board meeting within 30 days of receiving a written request to do so from another Board member (s25(3)).

8.2 Location

- (a) Board meetings are to be held at the times and places that the Board determines (s25(2)).
- (b) Members may participate in Board meetings by telephone or any other means of communication. A member who participates in such a way is taken to be present at the meeting and to form part of any quorum for the meeting (s33B *Acts Interpretation Act 1901* (Cth)).

8.3 Company Secretary

- (a) The appointment (and any removal) of the Company Secretary is a matter for the full Board. The Company Secretary is accountable to the Board, through the Chair, on all matter to do with the proper functioning of the Board.
- (b) All members will have direct access to the Company Secretary.

8.4 Agenda

- (a) The Chair will determine the meeting agenda, in consultation with the CEO and Company Secretary.
- (b) The Company Secretary will distribute the agenda and any related documents to all Board members and other attendees before each proposed meeting.
- (c) At each meeting, the Board will be given an opportunity to meet without management present.

8.5 Minutes

- (a) The Board must keep minutes of its meetings (s30).
- (b) The Company Secretary will be responsible for taking minutes at the meeting and will maintain a minute book to record the proceedings and resolutions of the Board's meetings.

8.6 Circular resolutions

- (a) The Board may consider and make a decision on any matter without a meeting if all of the Board members entitled to vote on the proposed decision sign a document containing a statement that they are in favour of the resolution set out in the document. The document may be signed in counterparts (including by electronic means) and the resolution is passed when the last Board member entitled to vote signs the document.
- (b) If a decision is made in accordance with the above procedure, the Board is taken to have made a decision at a meeting (s31(1)).

- (c) The Board must keep a record of all decisions made without a meeting (s31(4)).

9 BOARD COMMITTEES

9.1 Committees

- (a) The Board may establish committees to advise or assist in the performance of the Board's or the CEFC's functions (s43(1)).
- (b) The permanent Board Committees are:
 - (i) the Audit and Risk Committee;
 - (ii) the People and Culture Committee.
- (c) The Board will adopt a charter for each Committee, setting out the responsibilities delegated by the Board to the Committee and the Committee's structure and operation.
- (d) Each Committee may make recommendations to the Board for decision in relation to all matters within its responsibility.

10 INDUCTION AND ONGOING TRAINING

- (a) New members of the Board will participate in an induction programme involving comprehensive briefings from management on CEFC's business and key issues.
- (b) Each member of the Board is expected to participate in all continuing education programmes conducted for members of the Board and/or a Board Committee, including regular briefings by internal and external specialists on subject matters relevant to their role as a member of the Board and/or Board Committee and key business and industry developments.

11 ACCESS TO ADVISERS

Each member of the Board may engage counsel, accountants and/or other experts, at the expense of CEFC, as it considers appropriate to assist the Board discharge its duties and responsibilities. Any member of the Board seeking external advice must consult with the Chair of the Board, CEO and/or Company Secretary who will facilitate obtaining that external advice. The policy of the Board is that external advice will be made available to all members of the Board, unless the Chair determines otherwise.

12 BOARD AND BOARD COMMITTEE'S PERFORMANCE EVALUATION

The Board will review its performance, and the performance of each of the Board Committees, from time to time as it deems appropriate, but in any event no less than biennially.

The Board will periodically review the Board and Board Committee charters and approve any amendments as it considers appropriate.