



Australian Government



# CEFC Board Charter

May 2023



The CEFC is a corporate Commonwealth entity established by the Australian Government under the *Clean Energy Finance Corporation Act 2012* (Cth).

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## 1. Purpose

This document (**Board Charter**) sets out the roles, responsibilities and authorities of the Board (both individually and collectively) of the Clean Energy Finance Corporation (**CEFC**). It should be read in conjunction with the:

- *Clean Energy Finance Corporation Act 2012* (**CEFC Act**)
- *Public Governance, Performance and Accountability Act 2013* (**PGPA Act**)
- rules established by the *Public Governance, Performance and Accountability Rule 2014* (**PGPA Rule**).

## 2. CEFC Group

The CEFC may from time to time and in accordance with the PGPA Act, incorporate one or more subsidiaries to assist it in pursuing its statutory objectives under the CEFC Act. For the purposes of this Board Charter a reference to CEFC includes a reference to each of its wholly owned subsidiaries unless the context requires otherwise.

## 3. Legal framework

The CEFC is a corporate Commonwealth entity established by the CEFC Act. The CEFC Act and the PGPA Act prescribe:

- the functions and obligations of the Board
- the composition of the Board
- the powers of the Board, including delegation powers
- operational matters with respect to Board meetings.

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

## 4. Board Membership

### 4.1 Composition of the Board

The Board is established by s13 of the CEFC Act.

The Board consists of the Chair and at least 4, and no more than 6, other members (s15).

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)).

## 4.2 Chair

The Responsible Ministers must, by writing, appoint one Board member to be the Chair (s17).

The Chair must preside at all meetings at which they are present (s26(1)).

If the Chair is not present at a meeting, the other Board members present must appoint one of themselves to preside (s 26(2)).

## 5. Functions and powers of the Board

The functions of the Board are prescribed by s14(1) as:

- to decide strategies and policies to be followed by the CEFC
- to ensure the proper, efficient and effective performance of the CEFC's functions
- any other functions conferred on the Board by the CEFC Act.

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)).

## 6. Performing the Board's functions

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

1. Setting strategic directions (for example, through the Investment Policies, Corporate Plan and other strategic business plans)
2. Setting key corporate policies (for example, risk management (including in respect of legal and financial risk management), corporate governance (for example, including in respect of conflicts and material personal interests and anti-money laundering and counter-terrorism), environmental social and governance, information technology, remuneration and human resources)
3. Supervising corporate performance (for example, by reviewing business performance and investment performance)
4. Meeting its reporting obligations to Government (for example, by reporting on investment performance and publishing investment reports, by preparing an Annual Report and reporting "significant matters" under s19 of the PGPA Act)
5. Appointing the CEO (after consultation with the responsible Ministers) (s34(1)) and setting and assessing the performance of the CEO, including setting the remuneration of the CEO (s37).

## 7. CEO responsibilities

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 their duties (s33(2)).

The Board may give written directions to the CEO about the performance of the CEO's responsibilities (s33(4)).

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)).

## 8. Company Secretary

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 matters to do with the proper functioning of the Board.

All members will have direct access to the Company Secretary.

The Company Secretary may delegate any of the responsibilities of the Company Secretary set out in this Board Charter where necessary to the Corporate Governance team, with the exception of those described in s13 (Access to Advisors) and s14 (Board and Committee performance evaluation).

## 9. Conduct and Ethics

### 9.1 Code of Conduct and Ethics

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

### 9.2 Conflicts

A Board member must, in accordance with s29 of the PGPA Act and s14 of the PGPA Rule, 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.

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 member to vote and be present, or the Responsible Minister makes a declaration to this effect (s15 PGPA Rule).

## 10. Board Meetings

### 10.1 Convening meetings

The Board must hold such meetings as are necessary for the efficient performance of its functions (s25(1)).

The Chair must convene at least 6 meetings each calendar year (s25(3)(b)).

The Chair may convene a meeting (s25(3)(a)). The Chair must convene a Board meeting within 30 days of receiving a written request to do so from another Board member (s25(3)(c)).

### 10.2 Quorum

At a meeting of the Board, a quorum is constituted by 4 Board members or, at any time when there are only 5 Board members, a quorum is constituted by 3 Board members (s27(1)).

However, if due to an actual, potential and/or perceived conflict of interest and/or duties:

- (a) a Board member is not present during deliberations, or is unable to take part in any decision of the Board with respect to a particular matter; and
- (b) when that member leaves the meeting concerned there is no longer a quorum present;

the remaining Board Members at the meeting constitute a quorum for the purpose of any deliberation or decision at that meeting with respect to that matter (s27(2)).

### 10.3 Decision-making

A question arising at a meeting is to be determined by a majority of the votes of the Board members present and voting (s28(1)).

The person presiding at a meeting has a deliberative vote and, in the event of an equality of votes, a casting vote (s28(2)).

### 10.4 Location

Board meetings are to be held at the times and places that the Board determines (s25(2)).

Members may participate in Board meetings in person, by telephone, video conference 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*).

### 10.5 Agenda and documents

The Chair will determine the meeting agenda, in consultation with the CEO and Company Secretary.

At each meeting, the Board will be given an opportunity to meet without management present.

The Company Secretary will distribute the agenda and any related documents to all Board members and other attendees before each proposed meeting.

## 10.6 Minutes

The Board must keep minutes of its meetings (s30).

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.

## 10.7 Circular resolutions

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 circulated and signed in counterparts (including by electronic means) and the resolution is passed when the last Board member entitled to vote signs the document.

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)).

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

## 11. Board Committees

The Board may establish committees to advise or assist in the performance of the functions of the Board or the CEFC (s43(1)).

The permanent Board Committees are:

- the Audit and Risk Committee
- the People and Culture Committee;
- the CEFC Rewiring the Nation Investment Advisory Committee.

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.

Each Committee may make recommendations to the Board for a decision in relation to any matter within its responsibility.

## 12. Induction and ongoing training

New members of the Board will participate in an induction program involving comprehensive briefings from management on the business and key issues of the CEFC.

Each member of the Board is expected to participate in all continuing education programs 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.

### **13. Access to advisers**

Each member of the Board may engage counsel, accountants and/or other experts, at the reasonable expense of the CEFC, as that Board member considers appropriate to assist them (or the Board) in discharging their duties and responsibilities.

Any member of the Board seeking external advice must first consult with the Chair of the Board, CEO and Company Secretary (who will facilitate obtaining that external advice).

If the Chair of the Board seeks external advice they must consult with the Chair of the Audit and Risk Committee and the 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 (at the discretion of the Chair, taking into account such considerations as the Chair determines are relevant for example, legal professional privilege).

### **14. Board and Committee 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.

The Company Secretary may approve any immaterial and inconsequential amendments as necessary to maintain the accuracy and currency of this Charter. The Board shall be promptly informed of any such amendments to this Charter.