



Board Charter

**Container Exchange (QLD) Limited
ACN 622 570 209**

Adopted by the Board on 24 February 2021

Board Charter

1 Background

This Board Charter has been developed and approved by the Board of Container Exchange (QLD) Limited (“COEX”) to outline the manner in which the Board discharges its responsibilities, having regard to principles of good corporate governance and applicable laws.

COEX has been granted not-for-profit status and the company is a public company limited by guarantee therefore the income and property of the company must only be used to further the objects of the company set out in rule 4 of the COEX Constitution and no part of that income or property (or any other assets or profits of the company) may be paid or transferred, directly or indirectly, to any Member by way of dividend, bonus or otherwise.

The Board Charter and the charters adopted by the Board for its standing Committees have been prepared and adopted on the basis that strong corporate governance can add to the performance of COEX, create member value and engender the confidence of stakeholders and the community.

The powers and duties of individual Directors are set out in COEX’s Constitution and at law. Definitions and capitalised words used in this Charter have the same meaning as those in the COEX Constitution unless stated otherwise.

This Charter is written to reflect post Transition Period and is to be reviewed by the Board as required and at least biennially.

2 Compliance and Governance Materials

2.1 Constitution

The Constitution is COEX’s key governance document. The Board must ensure that it and COEX comply at all times with the provisions of the Constitution.

2.2 Compliance with Laws

The Board must monitor COEX's compliance with the *Corporations Act 2001* (Cth) as well as all other applicable laws, codes and statutes. Examples of applicable areas of regulation include:

- (1) occupational health and safety legislation;
- (2) environmental protection legislation;
- (3) employment related laws; and
- (4) anti-discrimination legislation.

2.3 Governance materials

The operations and conduct of COEX are administered in accordance with all governance materials approved by the Board, including but not limited to:

- (1) this Charter;
 - (2) COEX's Audit and Risk Committee Charter; and
 - (3) COEX's:
 - (a) Code of Conduct for the Board;
 - (b) Information Communications Technology (ICT) Policy;
 - (c) Social Media Policy;
 - (d) Privacy Policy;
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- (e) Workplace Bullying, Harassment and Discrimination Policy;
- (f) Work Health and Safety Policy;
- (g) Alcohol and Drug Policy;
- (h) Related Party Transaction Policy; and
- (i) Other policies and procedures which relate to the routine operation and conduct of COEX but do not require Board approval.

Additional governance materials may be introduced and approved by the Board as required, and the Board will abide by and review each of these policies at least biennially.

3 Composition of the Board

3.1 Size

At all times, the number of Directors must be nine and the Board must have no more than four Directors at any time that are Executive Officers, employees or Business Associates of Large Beverage Manufacturers.

3.2 Alternate Directors

Directors may appoint alternate Directors in accordance with the Constitution.

3.3 Composition

The Board composition shall be in accordance with rule 32 of the COEX Constitution.

3.4 Quorum

A quorum for a Board meeting (other than an adjourned Board meeting) shall be five Directors which includes at least one nominee appointed by each Member.

If there is not a quorum within 30 minutes after the time specified in the notice of meeting, the meeting will stand adjourned to the same day in the following week at the same time and place. A quorum for an adjourned Board meeting shall be, if there is more than one Member, three Directors including at least one nominee appointed by each Member.

4 Appointment of Directors

4.1 Terms of appointment

The terms of each Director's engagement will be set out in the letter of appointment which will include the following matters:

- (1) term of the appointment, subject to member approval;
 - (2) time commitments envisaged;
 - (3) powers and duties of all Directors;
 - (4) any special duties or arrangements attaching to the particular Director's position;
 - (5) circumstances in which an office of Director becomes vacant;
 - (6) expectations regarding involvement with committee work;
 - (7) remuneration, including superannuation and expenses;
 - (8) requirement to disclose Director's interests and any matters which affect the Director's independence;
 - (9) details of fellow Directors;
 - (10) corporate governance policies generally;
 - (11) induction training and continuous education arrangements;
 - (12) Board policy on access to independent professional advice;
 - (13) indemnity and insurance arrangements;
 - (14) confidentiality obligations and rights of access to corporate information;
 - (15) a copy of the Constitution; and
 - (16) an organisational chart of management structure.
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4.2 **Expertise**

The Board shall consider the following criteria when nominating and appointing Directors.

- (1) Knowledge of and experience in one or more of the following:
 - a. resource recovery activities;
 - b. local government;
 - c. not-for-profit sector; and
 - d. the beverage industry; and
- (2) knowledge and understanding of the obligations and responsibilities of company directors.
- (3) Directors must be Eligible Individuals, and cannot be a current Executive Officer, employee or Business Associate of a Waste Industry Business or a local government organisation.

4.3 **Review**

The Board shall, from time to time, review whether the Directors as a group have the range of expertise, skills, knowledge, and operational and technical expertise relevant to the operation of COEX required to fulfil their role on the Board and on the board committees. Where gaps are identified, the Board should consider what training or development could be undertaken to bridge those gaps. This includes, in the case of a Director who does not have specialist accounting skills or knowledge, ensuring that the Director has a sufficient understanding of accounting matters to fulfil their responsibilities in relation to COEX's financial statements. It also includes, for all Directors, ensuring that they receive ongoing briefings on developments in accounting standards.

4.4 **Tenure**

A Director (other than a Director who is a nominee of Coca-Cola Amatil (Aust) Pty Ltd or Lion Pty Ltd) may be appointed for a fixed term, subject to the COEX Constitution. If they are not appointed for a fixed term a Director will hold office in accordance with the Constitution.

5 Role and Responsibilities of the Board

- 5.1 The Board is responsible for, and has the authority to determine, all matters relating to the corporate governance, strategic direction, policies, practices, goals for management and the operation of COEX, however, this does not include matters which are required by law or the COEX Constitution to be exercised by the company in a general meeting.
 - 5.2 Any Director may make a submission to the Board specifying matters for determination by the Board, which are not within the day-to-day management of COEX.
 - 5.3 The Board should be provided with the information it needs to discharge its responsibilities effectively. The senior executives shall supply the board information in a form and timeframe, and of a quality that enables the board to discharge its duties effectively. Directors are entitled to request additional information where they consider such information necessary to make informed decisions.
 - 5.4 Without intending to limit the general role of the Board, the specific principal functions and responsibilities of the Board include:
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- (1) appointing the Chair;
- (2) delegating appropriate powers to senior management to ensure the effective day-to-day management of the business and monitoring the exercise of these powers;
- (3) establishing and monitoring executive succession planning;
- (4) providing leadership and setting COEX's strategic direction, objectives, and goals;
- (5) exercising the prudential control of COEX's finances and operations, including monitoring its financial performance and approving its budgets and major capital expenditure;
- (6) evaluating the implementation of strategy and business performance of COEX;
- (7) resourcing, reviewing, and evaluating executive management;
- (8) ensuring the existence of, and compliance with, adequate internal control systems;
- (9) identifying and managing significant business risks in accordance with COEX's risk management and internal compliance and control system;
- (10) overseeing the integrity of COEX's accounting and corporate reporting systems, including the external audit;
- (11) ensuring timely, accurate and effective communication with, and reporting to, members and relevant regulatory bodies;
- (12) overseeing the management of occupational health and safety and environmental compliance and performance;
- (13) monitoring the culture of COEX and establishing and maintaining appropriate ethical standards and codes of conduct;
- (14) approving COEX's remuneration policies; and
- (15) approving and supervising compliance with COEX's corporate governance policies.

5.5 In discharging its responsibilities, the Board must ensure to uphold at all times COEX's values, ethical standards, and governance framework.

5.6 The Board will conduct an annual review of the performance of the CEO.

6 Access to COEX information and confidentiality

6.1 All Directors have the right of access to all relevant COEX books and to COEX's executive management. In accordance with legal requirements and agreed ethical standards, Directors, and executives of COEX have agreed to keep confidential all information received by them in the course of the exercise of their duties. Directors will not disclose non-public information of COEX except where disclosure is authorised or legally mandated.

6.2 All Directors are entitled to the benefit of COEX's standard Deed of Confidentiality, Indemnity, Access, and Insurance which provides ongoing access to Board papers and at COEX's expense, Directors' and Officers' Insurance for seven years after the Director leaves the Board.

7 Allocation of responsibilities

7.1 Chair

- (1) The Chair's other positions should not be such that they are likely to hinder effective performance of his/her role on the COEX Board.
 - (2) The Chair will not have the power to determine outcomes or bind other Directors.
 - (3) The Chair is responsible for leadership of the Board, for the efficient organisation and conduct of the Board's function, and for the briefing of all the Directors in relation to issues arising at Board meetings.
 - (4) The Chair will maintain a regular and open dialogue with the CEO and serve as the primary link between the Board and the CEO.
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- (5) The Chair is responsible for coordinating a Board performance review every two years [and ensuring that action items arising out of the review are executed].
- (6) The Chair together with the CEO are responsible for reviewing the performance of the Secretary.
- (7) The Board will select a suitable non-executive Director to conduct the performance evaluation of the Chair after having canvassed the views of the other Directors.

7.2 **Non-Executive Directors**

In accordance with statutory requirements and in keeping with developments at common law, the non-executive Directors have the following responsibilities:

- (1) exercise their powers and discharge their duties in good faith and in the best interests of COEX;
- (2) use their powers of office for a proper purpose and not for personal advantage or for the benefit of another party;
- (3) use due care and diligence;
- (4) make an effort (as is reasonably required in the circumstances) to become and remain familiar with the affairs of COEX;
- (5) maintain and use an independent questioning mind with respect to matters at the Board;
- (6) review, question, and challenge, where appropriate, the accuracy of the minutes and board papers;
- (7) actively engage in the conduct of board matters;
- (8) provide guidance to the CEO and other senior executives with respect to the strategic direction of COEX and any operational issues that may arise;
- (9) attend all Board meetings and Board functions unless there are valid reasons for non-attendance; and
- (10) commit the necessary time and energy to Board matters to ensure that they are contributing their best endeavours in the performance of their duties for the benefit of COEX, without placing undue reliance on other Directors or senior executives to fulfil these duties.

7.3 Each non-executive Director should make themselves available for the Secretary.

7.4 **The CEO**

- (1) The CEO is appointed (and when necessary replaced) by the Board.
 - (2) The CEO is responsible for the ongoing management of COEX in accordance with the strategy, policies and programs approved by the Board.
 - (3) The CEO's responsibilities include (but are not limited to):
 - (a) developing with the Board, a consensus for the company's vision and direction;
 - (b) constructing, with the senior executives, programs to implement COEX's vision;
 - (c) carrying out the day-to-day management of COEX, including implementing the strategic objectives and operating within the risk appetite set by the Board; and
 - (d) keeping the Board informed of all the activities of COEX which are considered relevant to the Board (including quantitatively or qualitatively material information relating to COEX, information relevant for consideration of material risks, matters outside the business plan and information which a normal prudent Board would expect to be aware of
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and consider) with accurate, timely and clear information.

- (4) The Board formally delegates certain powers to the CEO and management as outlined in the Delegation of Authority Policy, which is approved by the Board.

7.5 **The Secretary**

- (1) The Secretary reports directly to the Board through the Chair. All Directors will have access to the Secretary.
- (2) The Secretary is generally responsible for carrying out the administrative and legislative requirements of the Board. The Secretary holds primary responsibility for ensuring that the Board processes and procedures function efficiently and effectively.
- (3) The Secretary is appointed in accordance with the Constitution and the Corporations Act.
- (4) The specific tasks of the Secretary include:
 - (a) advising the Board and its committees on governance matters;
 - (b) monitoring that Board and committee policy and procedures are followed;
 - (c) coordinating all Board business including:
 - (i) meetings;
 - (ii) timely preparation and despatch of agendas, board and committee papers; and
 - (iii) ensuring that the business at Board and committee meeting is accurately captured in the minutes; and
 - (iv) monitoring the completion of actions arising from Board meetings;
 - (d) meeting statutory reporting requirements in accordance with relevant legislation;
 - (e) helping to organise and facilitate the induction and professional development of the Directors; and
 - (f) any other services the CEO or Chair may reasonably require.

8 **Committees**

- 8.1 To assist with focusing on specific Board responsibilities in order to properly execute the Board's duties, the Board has the authority to establish and determine the powers and functions of the committees of the Board. Each Board committee is to document a charter, approved by the Board, setting out its responsibilities.
- 8.2 The meetings and proceedings of any committee are to be governed by the provisions of the COEX Constitution for regulating the meetings and proceedings of the Board so far as they are applicable.
- 8.3 The Chair of each committee will report any matters of substance to the next Board meeting and a copy of all Committee minutes will be provided to the Board for discussion and noting.

9 **Meetings**

- 9.1 The Board has established procedures for conducting Board meetings and meetings of the various Board Committees, which the CEO and Company Secretary will administer.
 - 9.2 Notice period – Directors must receive at least seven (7) days' notice of the place, date and time of every Board meeting. The Chair must approve an agenda for each meeting of Directors.
 - 9.3 Technology – For the purposes of the Corporations Act, each Director, by consenting to be
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a Director, consents to the use of each of the following technologies for holding a Board meeting:

- (i) video;
- (ii) telephone;
- (iii) any other technology that permits each Director to communicate with every other Director; or
- (iv) any combination of these technologies.

A Director may withdraw his/her consent in accordance with the Corporations Act.

9.4 The Chair shall arrange for an opportunity for Board members to meet without any management representative present.

9.5 Voting – each Director has one vote. In the case of an equality of votes at a meeting of the Board, the Chair of the meeting has a casting vote.

9.6 Minutes – the draft minutes of meetings shall be provided to all Directors within a fortnight of the closure of the meeting. The Chair signs the final minutes after they are presented to the next scheduled meeting and are formally approved by the Board.

10 CEO and CFO assurances

- 10.1 It is the responsibility of both the CEO and the CFO (or equivalent) to provide written assurances to the Board that, in their opinion:
- (1) the financial reports submitted to the Board present a true and fair view of COEX's financial position and operational results; and
 - (2) COEX's risk management and internal compliance and control system is operating efficiently and effectively.

11 Code of Conduct

11.1 To promote ethical and responsible decision-making, the Board must approve a Code of Conduct for the Board as to the practices necessary to maintain confidence in the company's integrity and the responsibility and accountability of individuals for reporting and investigating reports of unethical practices.

11.2 All Directors, senior executives and employees must comply with the Code of Conduct for the Board and demonstrate commitment to the Code of Conduct for the Board and consistency in its execution. Adherence to the Code of Conduct for the Board must be periodically evaluated and intermediate action taken where necessary.

- 11.3 To ensure that Directors are at all times acting in the interests of COEX, Directors must:
- (1) disclose to the Board actual or potential conflicts of interest that may or might reasonably be thought to exist between the interests of the Director and the interests of any other parties (including the Director) in carrying out the activities of COEX; and
 - (2) take such necessary and reasonable steps to remove any conflict of interest if requested by the Board, within seven days or such further period as may be permitted by the Board.

11.4 If a Director cannot or is unwilling to remove a conflict of interest, then the Director must absent himself or herself from the room when Board discussion and/or voting occurs on

matters about which the conflict relates (save with the approval of the remaining Directors and subject to the Corporations Act).

12 Induction and continuing education

- 12.1 The Board must implement an appropriate induction and education process for new Board appointees and senior executives. Where possible this includes meetings with key executives, tours of the premises, an induction package, and presentations on COEX's history and scope of activity.
- 12.2 The Board must consider the need for Director education from time to time and where considered necessary ensure that Director's education occurs regularly and that the Directors are given the opportunity to undertake professional development education in order to develop and maintain the skills and knowledge needed to perform their role as Directors effectively.

13 Independent professional advice

- 13.1 To facilitate independent judgement in decision-making, each Director has the right to seek independent professional advice at COEX's expense on a reasonable basis whenever that Director judges such advice necessary for them to discharge their duties and responsibilities as a Director or a conflict of interest arises between the Director and COEX. Any Director seeking independent advice must first discuss the request with the Chair who will facilitate obtaining such advice. In the case of the Chair seeking advice, the Chair must first discuss the request with the chair of the Audit and Risk Committee who will facilitate obtaining such advice. The Chair may determine that any advice received by a Director be circulated to the Board.
- 13.2 Board members are not to be constrained or impeded from access to external auditors. Any costs incurred as a result of a Director consulting with an external auditor shall be borne by COEX.

14 Review of Charters

- 14.1 The Board and Committee charters will be reviewed having regard to any changes to legislation, best practice or the circumstances of COEX at least biennially. The Board may change this Charter by resolution.
- 14.2 The preparation of updates and amendments to this Charter will be the responsibility of the Secretary. All new management or other relevant staff will be provided with a copy of this Charter as part of their induction into COEX. Any updates or amendments as approved by the Board will be notified to appropriate management and staff by the Secretary.

15 Disclosure of Charter

This Charter will be made available, and updated as required, on COEX's website (www.containerexchange.com.au) in a clearly marked 'About Us' section.
