

1. Purpose

The Culture Committee (the “Committee”) of the Sunwater Board assists the Board in fulfilling its responsibilities in regard to:

- Setting the tone for culture in Sunwater
- Meeting the behavioural (cultural) elements of the Shareholder Mandate
- Understanding Sunwater’s culture and the degree to which it actually reflects the organisation’s purpose and values
- Supporting Sunwater’s focus on meeting customer and community expectations as a trusted, responsible customer-centric organisation
- Monitoring the development and implementation of strategies to enhance people and organisational effectiveness
- Monitoring the effectiveness of staff and stakeholder communications
- Monitoring the effectiveness of Sunwater’s commitment to Zero Harm and the effectiveness of Sunwater’s health and wellbeing strategies
- Employment conditions and remuneration issues, including the requirements of the *Government Owned Corporations Act 1993* (Qld) with respect to industrial relations and other Government policies in place from time to time.

2. Role

The role of the Committee is to assist the Board to discharge its responsibilities by making recommendations particularly with respect to the following areas:

Culture

- Understand the culture of the organisation, and whether there is congruence between the more observable indicators of culture (such as the company’s stated mission and values) and the shared underlying assumptions (the shared norms) that really determine how things get done
- Provide support to drive cultural change
- Determine, through a process of iterative conversations with management, the shared norms that Sunwater aspires to have and identify the gaps within the existing culture
- Oversee the alignment of systems and processes to support the core cultural elements, and against agreed indicators of cultural health supported by the use of appropriate tools to provide meaningful information
- Receive reports on areas where behaviours and activities are not aligned with Sunwater’s culture including plans to address those behaviours and activities
- Model the culture when it interacts with management, employees and other stakeholders, and review its own performance by reference to the stated cultural dimensions.

Customers and Stakeholders

- Receive reports covering conduct, culture and governance on the following topics:
 - the development of the customer centric program of work, including the measurement of progress towards elevating the customer and relativities to best practice and industry peers
 - systemic trends in complaints from customers and other external stakeholders and analysis of trends
 - material risks regarding conduct risk and reputation, as it applies to Sunwater’s customers and other external stakeholders
 - issues impacting customer segments, including areas of vulnerability and hardship.

Work Health, Safety and Wellbeing

- Direction and oversight of frameworks and practices dealing with the health, safety and welfare of Sunwater’s customers, employees and the public

- The adequacy and effectiveness of Sunwater’s compliance with relevant safety legislation, regulations, adopted standards and accreditation requirements
- Direction and oversight of Sunwater’s safety related risks, controls and assurance processes
- The adequacy and effectiveness of Sunwater’s workplace health safety and wellbeing practices including review and oversight of appropriate safety assurance processes
- Review and development of policies, frameworks and practices relating to the security and safety of Sunwater’s assets
- Significant safety incidents or hazards and processes for responding to them
- Safety related issues that have strategic, business or reputational implications for Sunwater and monitoring management of those issues.

Remuneration Strategy, Framework and Policy

- Reviewing and recommending to the Board, the remuneration strategy and framework for the CEO, Senior Executives and Employees on individual employee contracts, in line with Government Policy
- Reviewing industrial relations matters including the strategic approach for the negotiation of new enterprise agreements and recommending these to the Board
- Reviewing the remuneration packages to be awarded to the CEO and Senior Executives in line with Government Policy
- The establishment, implementation, eligibility, participation, and assessment of targets for any incentive plan for CEO, Senior Executives and employees on individual employment contracts
- Annual remuneration benchmarking and remuneration increases for the CEO, Senior Executives and employees on individual employment contracts
- Whether there is any gender or other inappropriate bias in remuneration for the CEO, Senior Executives or other employees

CEO and Senior Executive Appointment and Performance Monitoring

- Provide recommendations to the Board on the appointment of the Senior Executives and where appropriate, participate in the selection of Senior Executives
- Reviewing the performance of the CEO and Senior Executives and establishing and assessing any key performance indicators for recommendation to the Board.

People Management

- Sunwater’s People and Culture strategy including strategies for attraction and retention of employees, cultural improvement and employee satisfaction
- Sunwater’s key human resource related policies
- Reports and recommendations on workplace grievances, employee complaints and employee investigations.

Board Skills, Performance and Professional Development

- The adoption by the Board of a Board skills analysis setting out the mix of skills and diversity that the Board currently has or is looking to achieve in its membership
- Induction and continuing professional development programs for Directors
- The program for evaluating the performance of the Board, its Committees (including the Committee) and Directors.

Succession Planning & Risk Management

- Ensuring there are plans in place to manage the succession of the CEO and Senior Executives
- Undertake periodic reviews of Sunwater’s organisational structure, particularly at the executive management team level, and make recommendations to the Board as appropriate
- Review the sections of Sunwater’s annual report relevant to the activities of the Committee, including the Remuneration Report and make recommendations to the Board as appropriate.

The Committee is to act as a forum by which members can maximise their contributions to Board deliberations.

3. Membership

The following shall apply regarding Committee membership:

- a) The Committee shall consist of a least three directors appointed by the Board
- b) At least two committee members shall be independent, Non-executive Directors
- c) The Board may, subject to the consent of the shareholders, appoint outside experts to the Committee if it believes it is desirable to do so
- d) Committee members shall be appointed by the Board for such term as the Board considers appropriate
- e) The Chairman of the Committee shall be appointed by the Board
- f) Remuneration for Committee members and the Committee Chairman is as determined by the shareholding Ministers

All members of the Board, not formally appointed to the Committee, have a standing invitation to receive meeting material and attend meetings of the Committee.

The CEO, Executive General Manager, People and Transformation, Executive General Manager Operations, and Executive General Manager, Customer and Stakeholder Relations will normally be invited to attend Committee meetings but not as a member of the Committee. Other senior staff may also attend Committee meetings as considered appropriate by the CEO and with the agreement of the Committee Chairman.

Committee members' appointments should be staggered so that a core of experienced members is retained.

4. Authority

Unless expressly delegated by the Board, the Committee does not have decision-making powers but acts on the direction of, and makes recommendations to, the Board.

The Committee has the authority to:

- Require members of the Company's management to attend meetings and provide advice or information
- Access the Company's documents and records, and
- Appoint independent remuneration or other consultants.

5. Meetings and Procedures

The following shall apply regarding Committee meetings.

- a) The quorum for meetings shall be a minimum of two members
- b) If the Committee Chairman is absent from any meeting of the Committee, the members of the Committee present will appoint a Chairman for that meeting
- c) The Committee Chairman is required to call a meeting of the Committee if requested to do so by the Board or not less than two Committee members
- d) In accordance with its role and responsibilities outlined in this document, the Committee should determine its own agenda
- e) There is no formal voting procedure given the Committee doesn't have delegated decision-making authority. However, dissenting views of Committee members will be recorded in the minutes of the Committee meeting and reported by the Committee Chairman to the Board

- f) The Committee will meet at least four times per year and at such additional times as the Committee considers necessary
- g) Agendas and other papers for Committee meetings will be provided to Committee members at least five business days prior to the date set for the relevant Committee meeting
- h) Papers will be brief and provide background information and discussion points that management wish to consult with the Committee on prior to finalising any board papers for board approval.

The Committee shall prepare an annual calendar outlining standard activities and events to be undertaken by the Committee each year.

6. Conflicts of Interest

The Directors’ & Executives’ Conflict of Interest Procedure applies to all proceedings of the Committee. In accordance with that policy, Committee members and Executives attending the meeting are required to declare any interests that could constitute an actual, potential or perceived conflict of interest with respect to their participation or attendance at the Committee. Such declarations must be made on a member’s appointment to the Committee and in relation to specific agenda items at the outset of each Committee meeting.

7. Secretary

The Company Secretary will be the secretary of the Committee and is responsible for:

- In consultation with the Committee Chairman, preparing and sending notices of meetings and agendas to Committee members, and
- Recording and keeping minutes of Committee meetings and attending to the preparation, distribution and confirmation of other Committee papers as required.

8. Reporting

Minutes of Committee meetings shall be included in the Board papers for the next subsequent Board meeting.

Recommendations to the Board from the Committee will also be included in the next subsequent Board meeting.

The Committee Chairman shall provide a verbal report to the Board on the Committee's activities and outline the Committee’s recommendations to the Board.

9. Review

The Committee shall review at least every two years:

- This Charter, and
- The Committee’s performance assessed against its role and responsibilities.

Any outcomes from this review should be tabled by the Committee to the Board for approval.

A Board performance evaluation may specifically include an evaluation of the Committee.

From time to time, the Board may review the structure, role and performance of Board Committees and make such changes as it considers desirable.

10. Approval and Review Details

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SME:	Company Secretary	Next Revision Date:	March 2021	Reference No:	BOD POL 03