

1. Introduction

The Charter outlines the roles, responsibilities and composition of the Safety and Culture Committee (Committee) of the Board of Sunwater and the manner in which it discharges its responsibilities for Sunwater and its subsidiaries (Group).

2. Purpose

The primary purpose of the Committee is to provide objective review and oversight across the Group for a workplace that has a positive culture that lives the Group’s values, takes care of its people, and remunerates them fairly and transparently and puts customers at the centre of its decisions.

3. Role of the Committee

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

- Setting the tone for culture in Sunwater
- To provide monitoring and oversight of the tools, mechanisms and measures that management use to assess and develop Sunwater’s culture
- Understanding and evaluating the behavioural elements inherent within Sunwater’s values
Understanding Sunwater’s culture and the degree to which it actually reflects the Group’s purpose and values
- Monitoring the effectiveness of Sunwater’s commitment to Zero Harm and the effectiveness of Sunwater’s health and wellbeing strategies
- 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
- Compliance with 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
- Monitoring the effectiveness of staff and stakeholder communications
- Monitoring the effectiveness of Sunwater’s environmental and sustainability objectives
- Overseeing the annual Board performance review, succession planning and skills audit.

4. Responsibilities of the Committee

The Committee is responsible for:

Role	Responsible For
Culture	<ul style="list-style-type: none"> • Understanding the culture of the Group, and whether there is congruence between the more observable indicators of culture (such as the company’s stated purpose and values) and the shared underlying assumptions (the shared norms) that really determine how things get done • Providing support to drive cultural change through a shared responsibility approach with management • Determining, through a process of iterative conversations with management, the shared norms that Sunwater aspires to have and identify the gaps within the existing culture. • Overseeing 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

Role	Responsible For
	<ul style="list-style-type: none"> • Receiving reports on areas where behaviours and activities are not aligned with Sunwater’s culture including plans to address those behaviours and activities • Modelling the culture when it interacts with management, employees, and other stakeholders, and review its own performance by reference to the stated cultural dimensions
Workplace Health, Safety and Environment	<ul style="list-style-type: none"> • Monitoring the Group’s HSE system so that it addresses key HSE risks, is well understood and communicated within the business • Overseeing management of key risks to the business in the areas of health, safety, and environmental issues and how they are managed • The Group’s compliance with Health, Safety and Environment laws, regulations and the Group’s operational policies and standards • The culture promoted within the Group to ensure compliance with, and responsibility for, HSE • The establishment and tracking of measurable health, safety and environment objectives and targets, including recognising, and celebrating their achievement • The impact of changes in WHSE legislation, community expectations, research findings and technology • The potential for Sunwater liability arising from any HSE issues • The Group’s strategic and operational approach to the environment, sustainability, and climate change risks
People and Remuneration	<ul style="list-style-type: none"> • Reviewing and recommending to the Board, the remuneration strategy and framework for the CEO, Senior Executives and Employees (both EA and non-EA) 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 and Senior Executives • Annual remuneration benchmarking, analysis including gender pay gap and remuneration increases for the CEO and Senior Executives • Providing 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 • Reviewing the plans in place to manage the succession of the CEO and Senior Executives • Undertaking periodic reviews of Sunwater’s organisational structure, particularly at the executive management team level, and make recommendations to the Board as appropriate
Customers and Stakeholders	<ul style="list-style-type: none"> • Receiving reports covering conduct, culture, and governance on the following topics: <ul style="list-style-type: none"> ○ 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 ○ The Group’s relationship with, and activities in, the local communities in which we operate



Role	Responsible For
	<ul style="list-style-type: none"> ○ 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
Board Composition, Skills, Succession and Performance	<ul style="list-style-type: none"> ● The adoption by the Board of a Board skills matrix setting out the mix of skills and diversity that the Board currently has or is looking to achieve in its membership ● Board succession planning generally. ● Induction and continuing professional development programs for Directors ● The development and implementation of a process for evaluating the performance of the Board, its committees (including the Committee) and Directors ● Supporting the Queensland Government’s process for recruiting a new Director, including evaluating the balance of skills, knowledge, experience, independence, and diversity on the Board and, in the light of this evaluation, considering and advising on the role and capabilities required for a particular appointment.

5. Interaction with Other Committees

There are certain responsibilities that should be excluded from the Safety & Culture Committee and performed by other Committees of the Board. However, matters relating to such responsibilities could assist the Safety & Culture Committee in its decision-making process on matters for which it is responsible. Similarly, matters relating to the responsibility of the Safety & Culture Committees could assist other Committees in their decision-making process for matters for which they are responsible.

Accordingly, the Safety & Culture Committee Chairman may liaise with the Chairman of any other Board Committee at his or her discretion. For example: *the Safety & Culture Committee Chairman may liaise with the Risk Committee Chairman to assist the Safety & Culture Committee in its review of the Company’s culture, capability, attraction, retention and succession risks or to organise and conduct joint meetings of the two committees on topics of common interest.*

To maintain clarity of roles and to avoid conflict, certain responsibilities of the Safety and Culture Committee and the other Board Committees are set out in the table below:

Responsibility	Accountable	Informed
Oversight of quality and integrity of financial statements	Audit	Risk
Oversight of compliance with legal, tax and financial regulatory requirements	Audit	Risk
Oversight of auditor qualifications and independence	Audit	Risk
Oversight of the performance of the internal audit function	Audit	Risk
Assessing the internal process for determining and managing fraud and theft risk and testing the integrity of the fraud control plan	Audit	Risk
Oversight of Effectiveness of CMF	Risk	Audit
Oversight of effectiveness of the ERM framework including: <ul style="list-style-type: none"> ● Strategic and operational risks ● Project risks 	Risk	Audit

Responsibility	Accountable	Informed
<ul style="list-style-type: none"> • Dam safety risks • Information security risks • Reputational risks 		
Oversight of HSE risks	Safety and Culture	Risk
Oversight of environmental and sustainability risks	Safety and Culture	Risk
Oversight of attraction and retention risks	Safety and Culture	Risk
Oversight of customer risks	Safety and Culture	Risk

6. Membership

The Committee shall consist of a least three directors appointed by the Board all of whom should be independent, Non-executive Directors.

A member of the Risk Committee should also be a member of the Safety & Culture Committee to assist with the flow of relevant information between the two Committees.

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.

Committee members shall be appointed by the Board for such term as the Board considers appropriate.

The Chairman of the Committee shall be appointed by the Board.

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

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, CFO, EGM People and Transformation, EGM Customer and Stakeholders and GM HSE have standing invites to attend Committee meetings but not as members of the Committee. Other senior executives and senior staff may also attend Committee meetings as considered appropriate by the CEO and with the agreement of the Committee Chairman.

7. Access and Advice

The Committee will have free and unfettered access to the CEO and the CEO’s direct reports, any other relevant internal and external party and information, and may make any enquiries necessary to fulfil its responsibilities.

The Committee may obtain independent advice at Sunwater’s expense, including by engaging and receiving advice and recommendations from appropriate independent experts with prior approval of the Board Chairman and in consultation with the CEO.

8. Meetings and Procedures

The following shall apply regarding Safety and Culture Committee meetings:

- The quorum for meetings shall be a minimum of two members

- 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
- 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
- In accordance with its role and responsibilities outlined in this document, the Committee should determine its own agenda
- 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
- The Committee will meet at least three times per year and at such additional times as the Committee or Management considers necessary
- 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
- The Committee shall prepare an annual calendar outlining standard activities and events to be undertaken by the Committee each year.

9. Conflicts of Interest

The Directors' and 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.

10. Secretary

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

- In consultation with the Committee Chairman, coordinating 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.
- The Company Secretary may, with the approval of the Board, appoint a Committee Secretary, to undertake these duties.

11. Reporting

- Minutes of Committee meetings shall be included in the Board papers for the next subsequent Board meeting
- A report from the Committee Chairman outlining recommendations to the Board from the Committee will be prepared by the Committee Chairman and be included in the next subsequent Board meeting.

12. 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 submitted 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.

13. Approval and Review Details

Owner:	Board	Issue Date:	March 2021	Document No:	2605353
SME:	Company Secretary	Next Revision Date:	March 2023	Reference No:	BOD POL 13

