

## TRANSGRID BOARD CHARTER

**Summary:**

This document describes the charter of the TransGrid Board of Directors.

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## 1. Purpose

The principal objectives and functions of TransGrid and the structure and composition of the TransGrid Board are laid out in the following:

- Energy Services Corporations Act 1995 No. 95. (ESC)
- State Owned Corporations Act 1989 No. 134. (SOC)
- TransGrid's Constitution.
- NSW Treasury Guidelines for Boards of Government Businesses

## 2. Role

The Board's role is to provide leadership and direction for the organisation. In accordance with 20L of the SOC Act "all decisions relating to the operation of the Corporation are to be made by or under the authority of the board".

## 3. Delegation of Authority

Section 20L (1) of the State Owned Corporations Act 1989 provides that all decisions relating to the operation of TransGrid are to be made by or under the authority of the Board. Section 20L (2) of the State Owned Corporations Act 1989 and Article 16.7 (a) of TransGrid's Constitution provide that the Managing Director is responsible for the day to day management of operations of TransGrid in accordance with the general policies and specific directions of the Board. This direction is prepared in the form of an "Instrument of Delegation of Functions to the Managing Director". This document is reviewed every two years or as required.

## 4. Responsibilities

In carrying out its role the Board has but is not limited to the following specific responsibilities:

- Reviewing and approving the overall corporate strategy proposed by the Executive team
- Providing input into and final approval of the Statement of Corporate Intent
- Overseeing the implementation of an effective system of corporate governance
- Overseeing compliance with relevant Government policies
- Overseeing executive development and succession planning
- Appointment of the Managing Director in consultation with the voting shareholders
- Ratification of the appointment and removal of senior executives, where appropriate
- Reviewing performance of senior executives including the Managing Director
- Reviewing and endorsing risk management and internal control systems
- Approving and monitoring financial and other reporting
- Approving and reviewing the progress of major capital expenditure, capital management, and major acquisitions and divestitures
- Appointment of the Board Secretary

## 5. Key Stakeholders

In undertaking its responsibilities the TransGrid Board takes into consideration a number of key stakeholders including but not limited to:

- The voting shareholders currently the Treasurer and the Minister for Finance
- The portfolio Minister for Energy and Resources
- NSW Treasury
- Regulatory Bodies and other governing organisations
- Electricity industry counterparts
- TransGrid employees
- TransGrid customers
- The general community
- Suppliers and contractors

## 6. Code of Conduct

The TransGrid Board is to have a Code of Conduct which all Directors adhere to and which is reviewed on an annual basis.

## 7. Board Committees

Under Section 20.9 (a) of TransGrid's Constitution, Committees of Directors may be formed, consisting of one or more Directors.

TransGrid is to have an Audit and Risk Committee and a Remuneration and Structure Committee. Committee structure and membership are to be reviewed on an annual basis. Each Committee is to have a charter governing the activities of the Committee.

An Executive Board Committee, consisting of the Chairman and another Director, can also be formed out of session of the monthly schedule of Board meetings. The Board must delegate prior authority to the Executive Committee to exercise approval on behalf of the Board.

Additional Committees relating to other specific functions of the Board may also be created as and when required.

The Board currently has a Board Health and Safety Committee and a Board Regulatory Committee both of which have a charter governing their activities.

## 8. Role of the Chairman

The Chairman is to provide leadership and promote the cohesiveness and effectiveness of the Board. Key roles to be performed by the Chairman include:

- Assisting the Board to develop good relationships with the Shareholding Ministers and Portfolio Minister, with the Managing Director and with other key stakeholders and interested parties.
- Assisting individual Directors, and the Board as a whole, to understand their role, responsibilities and accountabilities.
- Helping Directors understand their risks and liabilities as individual members and as a Board.

- Ensuring a comprehensive agenda is presented to each meeting of the Board.

In a situation where the Chairman is absent from a Board Meeting, an Acting Chairman may be elected for that meeting and exercise all the powers and authorities of the Chairman.

## 9. Role of the Board Secretary

Under Section 23.1 of TransGrid's Constitution the Directors are to appoint the Board Secretary. The Directors may also remove any Board Secretary who has been appointed. Key roles to be performed by the Board Secretary include:

- Being a source of advice and counsel for Directors and management.
- Preparing the agenda for approval by the Chairman and compiling the supporting papers.
- Arranging for members of the management team and expert advisors to provide advice and, if required, attend meetings of the Board to present this advice.
- Advising on and working to enhance Board practices and procedures.
- Keeping abreast of and informing Directors of any changes to legislative requirements of governance expectations.

## 10. Operation of Board Meetings

The Board is to meet once per month (except January) and Board Committees will meet at least quarterly. Additional meetings may be called depending on the business requirement. Under Section 20.2 of the TransGrid Constitution the quorum for meetings of the Board is three Directors and under Section 20.9 (d) of the Constitution the quorum for meetings of Board Committees (where the Committee consists of two or more Directors) is two Directors.

## 11. Circulation of Board and Board Committee Papers

Board and Board Committee Papers are to be circulated in advance of the meeting.

## 12. Conduct of Board Meetings

All decisions of the Board are to be made on the basis of consensus and votes are only taken where consensus cannot be reached. All decisions and individual Director dissent is to be recorded, if requested by the Director.

## 13. Board Minutes

Under Section 22.1 of TransGrid's Constitution minutes of all Board Meetings and Board Committee Meetings are to be retained and filed appropriately. These minutes are circulated to all Directors at the following meeting, where they will be confirmed by the Board or Board Committee. The Board Secretary will action resolutions of the Board in a timely manner.

## 14. Monitoring and review

The Board charter is reviewed by the Board on an annual basis at each October Board meeting.

## 15. Change history

Revision no.	Approved by	Amendment
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11	TransGrid Board	Minor changes to the stakeholders section and update to new template.