

## BOARD CHARTER

Effective: 30 August 2023

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### Purpose

1. This Charter sets out the composition and key processes of the Board of the Australian Postal Corporation (Australia Post), its key responsibilities and relationship with management, and the responsibilities and powers allocated to Board Committees. The provisions of this Charter are derived principally from the *Australian Postal Corporation Act 1989 (APC Act)*, *Public, Governance and Performance Accountability Act 2013 (PGPA Act)* and guidance in the Commonwealth Government Business Enterprises - Governance and Oversight Guidelines (**GBE Guidelines**).

### Board Composition

#### Board composition and size

2. Directors are appointed by the Governor-General on the nomination of the Shareholder Ministers.
3. The Board consists of:
  - the Chair;
  - the Deputy Chair;
  - the Managing Director; and
  - not more than 6 other directors.
4. The required minimum number of directors (for quorum and voting purposes, detailed elsewhere in this Charter) means:
  - if there are 9 directors—5 directors; and
  - in any other case—4 directors.

#### Director independence

5. The Board will regularly monitor the ongoing independence of each director and the Board generally, to ensure that they continue to exercise unfettered and independent judgement. Specifically:
  - the Board will ensure that a director does not have any interest that derogates from carrying out the role intended with diligence and care; and
  - the Board will establish and maintain a formal register of directors' interests to ensure potential conflicts can be identified and managed.

## **Terms of service**

6. Directors hold office on a part-time basis appointed for terms no longer than five years. The Managing Director holds office on a full-time basis at the Board's pleasure.

## **Board Key Responsibilities**

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7. It is the role of the Board to decide the objectives, strategies and policies to be followed by Australia Post and to ensure that Australia Post performs its functions in a manner that is proper, efficient and, as far as practicable, consistent with sound commercial practice. The Board derives its authority from section 23 of the APC Act.
8. Under Section 94 of the APC Act, the Board may delegate virtually all or any of its powers to a director or employee of Australia Post.
9. In discharging those broadly defined roles, the Board's primary tasks include, amongst others:

#### **Corporate Plan**

- 9.1 reviewing and approving Australia Post's corporate plan;

#### **Group Chief Executive Officer & Managing Director**

- 9.2 selecting, appointing and monitoring the performance of the Group Chief Executive Officer and Managing Director (GCEO & MD) and, if appropriate, terminating the appointment of the GCEO & MD;

#### **Policies**

- 9.3 reviewing and approving the Group Policy Governance Framework, and fulfilling the Board's responsibilities under that Framework, including the approval of material policies;

#### **Financial Outcomes and Reporting**

- 9.4 monitoring financial outcomes and the integrity of reporting and, in particular, approving annual budgets and longer-term strategic and business plans;

#### **Capital**

- 9.5 approving decisions affecting Australia Post's capital, including approval of major new business initiatives and declaring dividends;

## **Stewardship**

- 9.6 meeting its accountability and public resource stewardship obligations to Government by: submitting corporate plans, evaluating and recommending dividend proposals, reporting on business and operational performance, preparing an annual report, notifying of significant business proposals, ensuring compliance with all applicable laws and applicable Government policies and ensuring proper accounting and risk management and oversight;

## **Succession Planning**

- 9.7 establishing and maintaining appropriate succession arrangements for the GCEO & MD with consideration for sections 2.11 and 2.12 of the GBE Guidelines;

## **Sustainability**

- 9.8 providing counsel, guidance and governance of the Group's strategies, frameworks and programs related to sustainability;
- 9.9 reviewing and approving the Group's Sustainability Roadmap;
- 9.10 reviewing and approving the Group's environmental performance targets;
- 9.11 reviewing and approving the annual Modern Slavery Statement required to be given under the Modern Slavery Act 2018;

## **Community**

- 9.12 reviewing the effectiveness of initiatives on community contribution and engagement;

## **Stakeholder Engagement and Reputation**

- 9.13 reviewing the stakeholder engagement plan;
- 9.14 monitoring the external environment in respect of, and consider issues that could significantly impact, the Group's reputation and report exposures to the Board.

## **Directors**

- 10. Directors receive a formal letter of appointment from Shareholder Ministers. An induction pack is provided to directors. Directors are expected to participate in any induction or orientation programs on appointment, and any continuing education or training arranged for them.
- 11. Directors will act at all times with honesty and integrity and observe the highest standards of ethical behaviour.
- 12. Directors will carry out their duties in accordance with the law and Australia Post's corporate governance policies and procedures, including Australia Post's Our Ethics Policy – Australia Post's core code of conduct artefact.

13. Directors are expected to avoid any action, position or interest that would conflict with an interest of Australia Post. A director who has a material personal or business interest in a matter that relates to the affairs of Australia Post, and may give rise to a real or perceived conflict, must give the other directors notice of such interest.
14. The Board (and, if required, each director individually) may seek any independent professional advice they consider necessary to fulfil their responsibilities and to exercise independent judgment when making decisions. Such advice may be obtained at Australia Post's expense and independent of Australia Post management, provided the consent of the Chair or the Deputy Chair is first obtained in writing. For these purposes, 'management' may include the GCEO & MD.

## **Board Committees**

15. The Board from time to time establishes Committees to streamline the discharge of its responsibilities and support the Board in matters that require more intense review.
16. There are currently two standing Committees:
  - Audit & Risk Committee; and
  - People Committee.
17. It is intended that each non-executive director will be appointed to at least one of these Committees.
18. Non-Committee members may attend any Committee meeting they wish to attend.
19. Each standing Committee adopts a formal charter setting out the matters relevant to the composition, responsibilities and administration of the Committee.
20. The Board may also delegate specific functions to Committees on an 'as needs' basis.

## **Board Process**

21. All Board meetings are conducted in accordance with the APC Act. The Board meets formally at least eight times per annum, one of which is intended to be the Board Strategy Day. In addition, the Board will meet whenever necessary to deal with urgent matters which might arise between scheduled meetings. Part of each scheduled meeting may be set aside to allow the directors to meet in private session (with only the Non-Executive Directors present).
22. The Chair may at any time convene a meeting; and shall convene a meeting when requested by at least the required minimum number of directors.
23. Directors will discuss, debate, challenge and critique key strategy and Australia Post issues at Board meetings.

24. The required minimum number of directors constitutes a quorum. If necessary, a question shall be decided by a majority of votes of the directors present and voting. The director presiding has a deliberative vote and, if there is an equality of votes, also has a casting vote. If because of section 29 of the PGPA Act a director is not present at a meeting of the Board during a deliberation of the Board in relation to a matter, but there would be a quorum if the director were present, the remaining directors present constitute a quorum for the purpose of any deliberations or decision of the Board at the meeting in relation to the matter.
25. Directors will not participate in discussions and will not vote on any issues in respect of which there is an actual, potential or perceived conflict of interest.
26. Directors must keep Board discussions and resolutions confidential, except where they are required by law to be disclosed.
27. The Board may conduct meetings in person, by telephone or videoconference, or by any other means of communication.
28. Meetings in person will be scheduled, and where practicable site visits to operating and other facilities organised, at a variety of different locations to inform the Board regarding the extensive and varied activities of the Group.
29. Directors are expected to attend, to be adequately prepared for, and to participate in each Board meeting.
30. Members of management may attend Board meetings at the Board's request to provide information within their areas of responsibility. The Board may invite external advisers to attend Board meetings where necessary or desirable.
31. The Board may seek any information the Board requires, whether directly or via one of its Committees, from any Group team member and/or any external party,
32. The Board will on an annual basis, in accordance with section 2.21 of the GBE Guidelines, undertake an assessment of its performance and the performance of the Chair. The assessment should include a Board Skills Matrix, which sets out the skills, knowledge, experience and diversity that the Board currently has or is looking to achieve in its membership (having regard to Australia Post's strategic objectives, legal requirements and to the highest standards of corporate governance).
33. The outcomes of this assessment will feed into the Annual Board Plan that is required to be submitted to Shareholder Ministers in accordance with section 2.9 of the GBE Guidelines. Every two years, this performance assessment is to be undertaken by an independent external party and the Chair is expected to brief the Shareholder Ministers.
34. The Board will on an annual basis, in accordance with section 2.9(a) of the GBE Guidelines, prepare an Annual Board Plan and provide it to Shareholder Ministers. The Annual Board Plan will cover board composition, upcoming vacancies and ongoing skill and diversity requirements of the Board – and consider any assessment of the Board's performance undertaken in accordance with section 2.21 of the GBE Guidelines.

35. The Board will, through the Chair, inform Shareholder Ministers as soon as practicable regarding any vacancy on the Board or in the role of the GCEO & MD, in accordance with section 2.9(b) of the GBE Guidelines.

36. Circular resolutions outside of meetings are taken to have been passed when the required minimum number of directors have signed.

### Role of Chair

37. The Chair is responsible for leadership of the Board and for the efficient functioning and proper process of the Board. The Chair is appointed by Shareholder Ministers.

38. The Chair presides at all meetings at which the Chair is present. The Deputy Chair presides when the Chair is unavailable for any reason. If the Chair and Deputy Chair are not present at a meeting, the directors present shall appoint one of the directors present to preside.

### Role of GCEO & MD

39. Sections 17, 18 and 19 of the APC Act specify a wide range of general powers, specific postal and postal-related powers, and other powers of Australia Post. These powers are exercisable by the GCEO & MD under section 24 of the APC Act and may be delegated by that person to other employees of Australia Post under section 93 of the APC Act.

40. The GCEO & MD has responsibility for implementing Australia Post's strategic priorities and for managing Australia Post's day-to-day operations. The Board may impose specific limits on the authority of the GCEO & MD from time to time, such as the limits that apply in respect of matters required to be notified to Shareholder Ministers under section 19 of the PGPA Act.

### Role of Corporate Secretary

41. The Corporate Secretary acts as secretary of the Board, attending all meetings of the Board as required.

42. The Corporate Secretary reports directly to the Chair and is accountable to the Board, via the Chair, on all matters relevant to the Board.

43. The Board (and, if required, each director individually) have direct access to the Corporate Secretary for specialist governance advice, may raise matters confidentially, and can access advice independently of Australia Post management. For these purposes, 'management' may include the GCEO & MD.

44. The Corporate Secretary is responsible for:

- organising Board meetings and director attendance;
- monitoring compliance with the aspects of Group Policies that apply to the Board;
- coordinating the completion and distribution of the Board agenda and briefing materials;
- preparing minutes and actions of the Board and taking these to the Chair for approval;
- coordinating access to any independent professional advice that the Board (and, if required, each director individually) requests;
- organising and facilitating the induction and professional development of directors;
- being a point of reference for dealings between the Board and management; and
- supporting the fulfilment of Australia Post's obligations under the APC Act and PGPA Act.

### Review and Publication of Charter

45. This Charter should be reviewed and updated at least every two years. The Charter may be amended by resolution of the Board.

46. The Charter will be accessible through the Australia Post website.