

Funding and Markets Committee Charter



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1 Introduction

Queensland Treasury Corporation (QTC) is committed to observing high standards of due care, diligence, skill, integrity and fair dealing in the conduct of its business.

The QTC Capital Markets Board (the Board) has been delegated powers by the Under Treasurer as QTC's corporation sole. The Board can delegate its powers to its committees or the Chief Executive and can authorise any further delegations of authority by the Chief Executive to other employees of QTC, as appropriate.

The Funding and Markets Committee (FMC) is a decision-making and advisory body established to assist the Board in fulfilling its corporate governance responsibilities in regard to the performance and risk management of QTC's funding and markets activities.

2 Establishment

The FMC was initially formed as the Transaction and Limit Review Committee by the QTC Capital Markets Board on 9 March 2011 and was subsequently renamed the Funding and Markets Committee on 14 December 2011. .

3 Authority

The Board can delegate its powers to its committees or the Chief Executive, and can authorise any further delegations of authority by the Chief Executive to other employees of QTC, as appropriate. The Board authorises the FMC, within the scope of its responsibilities, to:

- examine any matter in relation to its responsibilities as it sees fit or as requested by the Board
- make decisions in relation to certain responsibilities without requiring subsequent Board approval
- engage external resources if necessary to obtain independent advice in relation to FMC matters, and
- have access to, and seek information from, any QTC staff member in order to carry out the FMC's responsibilities.

4 Roles and responsibilities

4.1 Responsibilities

The FMC has the following responsibilities:

Strategy:

- Oversee and report to the Board on:
 - strategies to:
 - > access suitable funding markets to meet the State's borrowing requirements
 - > maintain appropriate levels of liquidity
 - strategies related to funding and markets activities
- Report to the Board on the funding and markets impacts of significant strategic initiatives

Policy:

- Approve on behalf of the Board, the FMC-owned policies (refer to the Corporate Governance Policy for the Key Policy allocation)
- Review and make recommendations to the Board on:
 - Board-owned policies designated for FMC review
 - the FMC Charter

Culture:

- Oversee and report to the Board on the culture around financial risk management in funding and liquidity, and balance sheet management activities

Risk:

- Review and make recommendations to the Board on QTC's risk appetite and risk tolerance for material risks overseen by the FMC (refer to the Enterprise-wide Risk Management Policy for the material risk allocation)
- Oversee and report to the Board on:
 - the management of key funding and markets risk areas
 - outcomes of discussions with risk owners of funding and markets material risks

Compliance:

- Oversee and report to the Board, via the RAC, on compliance with relevant legislation relating to funding and markets activities

Budget:

- Review and make recommendations to the Board on:
 - the appropriateness of the cost of funding the borrowing program, including the mix and use of syndication fees, taps, tender and reverse enquiry strategies
 - credit margin fees

Performance:

- Oversee and report to the Board on:
 - performance in:
 - > accessing suitable funding markets to meet the State's borrowing requirements
 - > maintaining appropriate levels of liquidity
 - the performance of the Liquidity pools (Floating Rate and Fixed Interest business units), the Cash Fund and Asset Liability Management portfolio
- Review and make recommendations to the Board on the annual assessment of corporate performance overseen by FMC
- Report to the Board on the evaluation of FMC performance

General:

- Undertake any task assigned to the committee by the Board.

4.2 Chair

The Board Chair determines which member of the FMC will be appointed Chair of the FMC.

The Chair is responsible for the leadership of the FMC, the efficient organisation and conduct of the FMC's functions, and briefing of all members about issues arising at meetings.

The Chair will facilitate the effective input of all members, and promote constructive and respectful relations between members.

4.3 Company Secretary

The Company Secretary will be appointed to facilitate the FMC's meetings and reporting duties. The Company Secretary will be responsible for the preparation and circulation of the meeting agenda and accurately minuting all decisions and recommendations of the FMC, in consultation with its Chair. The Company Secretary will also be responsible for the timely tabling of all correspondence, reports and other information relevant to the FMC's activities and operations.

5 Duties

Members of the FMC will undertake their roles on the FMC in accordance with the duties and liabilities outlined in the QTC Capital Markets Board Charter.

6 Committee composition

The FMC is comprised of at least three Board members. FMC members are appointed by the Board. Board members who are not members of the FMC may attend meetings of the FMC, but may not vote on FMC matters or act as a proxy for an FMC member, unless approved by the Board in writing. The Company Secretary is to attend all FMC meetings to ensure minutes are taken of the meetings.

6.1 Resignations

A member may resign by signed notice given to the FMC Chair, who will advise the Board Chair. The FMC Chair may resign by signed notice given to the Board Chair, who will advise the Board.

7 Performance

Each year, the FMC will evaluate its performance during the past 12 months to ensure it is functioning effectively.

8 Meetings

8.1 Convening and holding meetings

FMC meetings shall be held at least four times per calendar year.

The FMC will decide the times and places for meetings of the FMC in conjunction with the Company Secretary. The dates of the meetings should be agreed before the beginning of each calendar year.

The agenda for each meeting will be determined by the Chair in consultation with the Company Secretary. FMC papers will not be distributed on the day of the FMC meeting unless approved by the Chair.

FMC papers are approved by the FMC Chair prior to circulation to FMC members. Papers are to be distributed at least three business days before each Committee meeting.

Additional meetings may be convened by any member giving reasonable notice to every other member. Agenda items are to be circulated to FMC members with the notice convening the meeting. The Chair will determine and approve the agenda for any additional meetings called.

8.2 Use of technology

FMC meetings may be convened using any technology, such as a video or telephone conference. The use of technology is managed by the Company Secretary and Chair. An FMC member is considered present for a meeting whether in person or through the use of technology.

8.3 Chairing

The Chair of the FMC will chair all FMC meetings. If the Chair is not present at an FMC meeting, and has not appointed an Acting Chair, then the FMC members must elect an FMC member who is present as Acting Chair for that FMC meeting.

8.4 Quorum and decisions or recommendations

A majority of members must be present to provide a quorum.

A member may be present at a meeting in person or by technology such as telephone or videoconference.

Decisions or recommendations of the FMC shall be regarded as its collective decision, recommendation or advice unless there is a material dissension, in which case a minority view will be recorded in the minutes of the meeting and placed before the Board.

8.5 Out-of-session decisions or recommendations

At the discretion of the Chair, decisions or recommendations may be made without an FMC meeting if a quorum of the members vote 'in favour of' or 'opposed to' the out-of-session decision or recommendation.

Voting on out-of-session decisions or recommendations can be made either in person or through the use of technology.

Separate copies of a document may be used for approvals by members provided the wording of the decision or recommendation and statement is identical in each copy.

8.6 Minutes

The FMC must keep minutes in which it records the:

- proceedings, recommendations or decisions of all meetings of the FMC, and
- proceedings, recommendations or decisions made out-of-session.

The draft minutes of the meeting will be distributed to the Chair for review within a week of the meeting and then presented for approval at the next committee meeting.

The outcome of a decision or recommendation made without a meeting must be recorded and ratified by the FMC at the next meeting.

Approved minutes of a meeting of the FMC shall be provided through the Board portal along with FMC papers.

8.7 Other attendees

The FMC Chair may request that QTC staff or external parties attend a meeting of the FMC.

9 Reporting

The FMC reports to the Board. The FMC will report on its meetings to the Board, with recommendations of the FMC to be referred to the Board for approval and decisions of the FMC to be presented to the Board for noting.

Material risks to QTC are considered by the relevant Board committee and/or the Board. The Risk and Audit Committee coordinates reporting on material risks to the Board from all Board committees. See the Enterprise-wide Risk Management Policy for the material risk allocation.

The FMC shall prepare prompt and timely reports to the Board outlining relevant matters that it has considered, as well as the FMC's opinions and recommendations on these matters.

As soon as practicable after the end of each financial year, the FMC shall provide the Board with a report that summarises the FMC's performance and achievements over the year. A summary of the role of the FMC shall be included in QTC's annual report.

10 Communication and information

Management and staff must provide the FMC with accurate, timely and clear information to enable the FMC to effectively discharge its responsibilities and duties.

All FMC papers, minutes and other committee documentation will be provided to FMC members through the Board portal. It is the responsibility of each FMC member to ensure they can access the Board portal and review the information provided to discharge their responsibilities as an FMC member.

10.1 Continuing development

The FMC should understand QTC's organisational structure, operations and industry, together with key developments relevant to the FMC and may receive periodic presentations to assist it in achieving that understanding.

11 Relationship with other committees

To the extent that there is any overlap in the responsibilities of the FMC and the other Board committees, those committees shall, directly or through the Board or management, endeavour to ensure that the overlap is dealt with in an appropriate manner and shall refer any issues that relate more appropriately to another committee to that other committee.