



# QTC Capital Markets Board Charter

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# 1 Introduction

Queensland Treasury Corporation is the Queensland Government's central financing authority. It has a statutory responsibility to advance the financial position of the State, and a mandate to manage and minimise financial risk in the public sector and provide value-adding financial solutions to its public sector clients. Established under the *Queensland Treasury Corporation Act 1988*, QTC is a corporation sole<sup>1</sup>, reporting through the Under Treasurer to the Treasurer and Queensland Parliament.

With a focus on whole-of-State outcomes, QTC provides a range of financial services to the State and its public sector entities, including local governments. These services include debt funding and management, cash management facilities, financial risk management advisory services, and specialist public finance education.

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

- is committed to ensuring the effective corporate governance of QTC
- recognises its overriding responsibility to act honestly, fairly and diligently under the law in serving the interests of QTC, and
- will work to promote a culture within QTC that establishes these principles as basic guidelines for all QTC staff members.

## 2 Establishment of the Board

QTC's governance principles are incorporated in the *Queensland Treasury Corporation Act 1988* (QTC Act), the Performance and Operating Agreement (February 2021) between QTC and the Queensland Treasury Corporation Capital Markets Board, the Instrument of Delegation to the Queensland Treasury Corporation Capital Markets Board (1 April 2022), the *Financial Accountability Act 2009*, the *Public Sector Ethics Act 1994* and Government standards.

The Board was established under section 10(2) of the QTC Act with the approval of the Governor in Council by Executive Council Minute 2273 on 29 August 1991.

## 3 Committees

The following Board committees have been established, with prior approval from the Governor in Council, to support the Board in fulfilling its duties and responsibilities:

- Funding and Markets Committee.
- Risk and Audit Committee, and
- Human Resources Committee.

These committees are authorised by the Board to oversee and make decisions and recommendations on the responsibilities outlined in the respective committee charters.

### 3.1 Delegation of powers

The Board has been delegated powers by the Under Treasurer<sup>2</sup> as QTC's corporation sole. The Board and the Under Treasurer have agreed<sup>3</sup> the terms and administrative arrangements that govern the exercise or performance of those powers and the reporting requirements.

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 has delegated decision-making authority to Board committees for the responsibilities outlined in Appendix C.

The Board's role and responsibilities detailed in this document do not extend to the role and responsibilities delegated to the State Investment Advisory Board.

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<sup>1</sup> s5(2) *Queensland Treasury Corporation Act 1988*

<sup>2</sup> Instrument of Delegation 1 April 2022

<sup>3</sup> Performance and Operating Agreement 2 February 2021

## 4 Roles and responsibilities

### 4.1 Board

QTC's Performance and Operating Agreement sets out the objectives and functions for which the Board may exercise its delegated powers. The Board's primary role and corporate governance functions include the following:

**Leadership:**

- Lead and oversee QTC

**Strategy:**

- Approve:
  - the strategic direction of QTC
  - significant strategic initiatives

**Policy:**

- Approve:
  - Board-owned policies and note committee-owned policies (refer to the Corporate Governance Policy for the Key Policy allocation)
  - the QTC Capital Markets Board Charter and Board committee charters

**Culture:**

- Oversee organisational culture, values and behaviours

**Risk:**

- Oversee risk and approve the Enterprise-wide Risk Management Framework and Risk Appetite Statement

**Compliance:**

- Ensure compliance with relevant legal, tax and regulatory obligations
- Approve:
  - the annual financial statements and the annual report, including the identification of Key Management Personnel
  - the policy to ensure the accuracy and appropriate compliance of QTC documents for public release

**Budget:**

- Approve:
  - the annual administration budget
  - the total full-time equivalent complement
  - major contracts and agreements in accordance with Authorisations Policy limits
  - the budget for overseas travel
- Review and make recommendations to the Under Treasurer for the approval of overseas travel

**Performance:**

- Approve:
  - the performance review framework, including the process to determine corporate performance outcomes
  - the Corporate Plan, including the corporate performance measures
  - the annual assessment of corporate performance
- Monitor and evaluate financial, operational, management and corporate performance against agreed outcomes
- Evaluate Board and Board committee performance

**Remuneration:**

- Approve:
  - the Remuneration Framework
  - the fixed and variable remuneration pool, and short-term incentive targets

#### **Chief Executive:**

- Approve:
  - the appointment/reappointment/dismissal of the Chief Executive, including the terms and conditions
  - the annual performance objectives of the Chief Executive
  - an assessment of the Chief Executive's performance against annual performance objectives

#### **Executive Leadership Team:**

- Monitor the risks associated with the adequacy of the talent pipeline for senior leadership

#### **Internal Audit:**

- Oversee the annual Internal Audit Plan and scope
- Approve the appointment of the internal audit partner, including the terms and conditions

#### **External Audit:**

- Oversee the external audit program.

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

## **4.2 Chair**

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

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

The major point of contact between the Chief Executive and the Board is the Chair. As a result, the Chair should be kept fully informed of all matters of relevance and interest to Board members.

## **4.3 Company Secretary**

The role of the Company Secretary is to assist the Board to effectively fulfil its strategic role and to facilitate good corporate governance. The Company Secretary works with the Chair and the Chief Executive on all matters relating to the functioning of the Board. The Company Secretary's responsibilities include:

- being a point of reference and contact for the Board and QTC staff members about Board matters
- being responsible for the coordination of all Board business, including agendas, Board papers and minutes
- facilitating the Board's and committees' self-assessment process and following-up on outcomes from that assessment, and
- communicating and coordinating with relevant bodies on the reporting requirements under the QTC Act, the *Financial Accountability Act 2009*, the *Financial and Performance Management Standard 2019* and all statutory and other filings.

## **5 Duties and liabilities**

The Board members should:

- discharge their duties in good faith and honesty in the best interests of QTC with the level of skill and care expected
- use the powers of the office for proper purpose, in the best interests of QTC as a whole
- act with required care and diligence and show commercial reasonableness in their decisions
- avoid conflicts of interest
- not make improper use of information gained through their position of Board member
- not allow personal interests, or the interest of any associated person, to conflict with the interests of QTC
- make reasonable enquiries to understand that QTC is operating legally, effectively and efficiently in achieving its goals
- undertake diligent analysis of all proposals placed before the Board, and
- serve on Board committees as required.

## 5.1 Conduct

Each Board member is required to comply with QTC's Code of Conduct that outlines practices necessary to maintain confidence in QTC's integrity and guide compliance with legal and other obligations.

## 5.2 Confidential information

Board members should:

- maintain Board matters in a confidential manner separate from any other business or responsibilities of the member, and
- not circulate Board papers or communicate their contents.

## 5.3 Access to information

Board members may seek information through the Company Secretary or QTC's Executive Leadership Team, or otherwise as agreed with the Chair.

## 5.4 Declaration of interests

### 5.4.1 Guidelines

Each Board member must avoid conflicts of interest. Each Board member declares their interests annually and on an ongoing basis. Board members are encouraged to consult with the Chair, as necessary.

A Board member should promptly disclose:

- any material personal interest they have in a matter that relates to the affairs of QTC, and
- any other interest that the Board member believes is appropriate to disclose to avoid an actual or perceived conflict of interest.

The disclosure should be made as soon as practicable after the Board member becomes aware of their interest or an actual or potential conflict of interest. Details of the disclosure must be recorded in the minutes of the meeting at which the disclosure is made or the meeting held after the disclosure.

### 5.4.2 Procedure

A Board member with interests may not be present at a meeting while the matter is being considered, nor vote on the matter. Board members without an interest in the matter can agree that the interest should not disqualify such Board member from being present while the matter is being considered, and from voting on the matter.

The minutes of the meeting should record the decision taken by the Board members who do not have an interest in the matter.

#### Annual declaration of compliance

Each year, Board members will be requested to complete a declaration of compliance, to provide confirmation that they have complied with:

- the key obligations set out in the Board Charter
- the requirement for confidentiality
- declaring and avoiding conflicts of interest
- the Code of Conduct
- the requirements for receiving entertainment and gifts, and
- QTC's values.

## 6 Board composition

### 6.1 Appointments

The Board generally consists of seven members appointed by the Governor in Council for a set term. The Chair and Board members are appointed with prior approval from the Governor in Council.

## 6.2 Resignations

A Board member may resign by signed notice given to the Chair who will advise the Under Treasurer. Alternatively, a Board member may resign directly to the Under Treasurer.

# 7 Board performance

## 7.1 Remuneration

Board members' remuneration is determined by the Governor in Council. The remuneration is disclosed annually in QTC's financial statements.

## 7.2 Annual review

Each year, the Board will evaluate its performance during the past 12 months.

# 8 Meeting conduct

## 8.1 Convening and holding meetings

The Board will decide the times and places for meetings of the Board. The dates of the Board 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. Board papers will not be distributed on the day of the meeting unless approved by the Chair.

Board papers, approved by the Chief Executive, are to be circulated to Board members at least 3 business days before each meeting.

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

## 8.2 Use of technology

A Board meeting 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.

A Board member is considered present for a meeting whether in person or through the use of technology.

## 8.3 Chairing

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

## 8.4 Quorum and decisions

The quorum for a Board meeting requires that a majority of Board members are present.

The Board members will make decisions by a majority vote of those present. Each Board member including the Chair has one vote. If a vote is tied, the Chair will have a casting vote.

No decision will be made about a financial arrangement that requires a guarantee to be given under Section 33 of the QTC Act, unless the Board member appointed from Queensland Treasury is present.

## 8.5 Out-of-session decisions

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

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

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

## 8.6 Minutes

The Board must keep minutes in which it records the:

- proceedings and decisions of all meetings of the Board, and
- proceedings and 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 Board meeting.

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

## 9 Communication and information

Management must provide the Board and committees with accurate, timely and clear information to enable them to effectively discharge their responsibilities and duties.

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

### 9.1 Continuing development

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

## 10 Advice to support independent decision making

Board members may, with the prior approval of the Chair, seek independent professional advice (including legal, accounting or other advice by experts or consultants) in relation to the performance of their Board member duties at QTC's expense. The expense is limited to \$5,000 for any one issue, unless otherwise approved by the Chair.

## 11 Definitions

The following definitions apply to this charter.

<b>Chair</b>	Means the same as Chairman under the Instrument of Delegation, QTC Capital Markets Board 1 April 2022 – 'member of the Board who is appointed as chairman by the Governor in Council.'  The Chair shall mean the Acting Chair in the absence of the Chair
<b>Chief Executive</b>	Means the same as Chief Executive Officer under the Instrument of Delegation, QTC Capital Markets Board 1 April 2022 – 'the person who from time to time is appointed to the position of chief executive officer of the Corporation and includes the person appointed from time to time to the position of acting chief executive officer'
<b>Due care</b>	The duty of due care and diligence is a fiduciary responsibility, which requires a Board member to always be honest and careful in their dealings, act in good faith, to inform themselves about all matters that come to the Board and to make reasonable decisions in the best interests of QTC, which others in their situation would make. A Board member can rely on the special knowledge or expertise of another responsible person, adviser or expert, providing the Board member adequately informs themselves and makes an independent assessment of that information
<b>QTC staff</b>	Includes all full-time, part-time and fixed-term employees, casuals, trainees, interns and work experience students and contractors under the direction and control of QTC



## Appendix A: Board committee delegated authority

The Board authorises its committees to approve on behalf of the Board:

### **Funding and Markets Committee**

- FMC-owned policies

### **Human Resources Committee**

- HRC-owned policies
- material changes to employee benefits

### **Risk and Audit Committee**

- RAC-owned key policies
- the Payment Times Report
- the Internal Audit Plan and scope, and the Internal Audit Plan Budget within the broader QTC budgeted amount for internal audit
- the addition and closure of audit issues on the recommendation of Internal Audit and/or the external auditors and the management response to those recommendations

Refer to the committee charters for each committee's responsibilities to oversee and report to the Board, and review and make recommendations to the Board.