

Export Finance Australia Board Charter

24 August 2023

1. Board

1.1 Purpose of the Board Charter

This Board Charter sets out the function, duties and responsibilities of the Board and the duties and responsibilities of the Management of Export Finance Australia (**Export Finance Australia**).

1.2 Structure of the Board

The Board is established under and governed by the provisions of the *Export Finance and Insurance Corporation Act 1991* (Cth) (**EFIC Act**).

1.3 Function of the Board

Pursuant to section 33(1) of the EFIC Act, it is the function of the Board to manage the affairs of Export Finance Australia.

In doing so, the Board must determine the policy to be followed in the conduct of the affairs of Export Finance Australia. This will include compliance with Ministerial directions under the EFIC Act and general policies of the *Public Governance, Performance and Accountability Act 2013* (Cth) (**PGPA Act**). The Board should also have regard to the Statement of Expectations issued to Export Finance Australia by the Minister for Trade, Tourism and Investment (**Minister**).

Board meeting agendas must be structured to ensure that each significant responsibility of the Board is addressed in a timely fashion.

1.4 Other aspects of the Board

Part 6 of the EFIC Act prescribes requirements in relation to membership of the Board and conduct of Board meetings.

2. Duties and responsibilities of the Board

2.1 Strategy

- Together with Management develop the strategic direction, objectives and goals of Export Finance Australia, including approving the Corporate Plan.
- Monitor Management's performance against the approved Corporate Plan.
- Review and approve the major policies of Export Finance Australia.
- Together with Management formulate Export Finance Australia's Statement of Intent in response to the Minister's Statement of Expectations.

2.2 Business Operations

- Select and appoint (and where appropriate remove) the Managing Director & CEO following consultation with the Minister.
- Define the powers of the Managing Director & CEO to conduct the operations of Export Finance Australia, including in respect of entry into transactions, consistent with the provisions of the EFIC Act.
- Approve decisions which are beyond the Managing Director & CEO's powers and, where appropriate, refer matters to the Minister.
- Assess the performance and set the remuneration of the Managing Director & CEO consistent with the Government's remuneration policy framework, and review and approve the Executive remuneration policy framework.
- Provide guidance to the Managing Director & CEO on matters concerning the appointment and evaluation of Executives of Export Finance Australia.

2.3 Risk Management and Governance

- Review and approve Export Finance Australia's risk management framework including the credit risk strategy and significant credit risk policies of Export Finance Australia. Provide oversight for the management of Export Finance Australia's major risk concentrations.
- Oversee the audit, risk management, internal control and compliance systems in place to support Export Finance Australia's risk management framework and monitor their implementation, including through reports from the Board Audit and Risk Committee.
- Monitor the independence of individual Board Members through the review of and regular updates to the Board Members' Disclosure of Interests register.
- Maintain good corporate governance practices for Export Finance Australia's responsible and ethical compliance with relevant regulatory requirements and governance standards.
- Monitor and protect the interests and reputation of Export Finance Australia, the Minister and the Australian Government.

2.4 Financial Management and Reporting

- Maintain, according to sound commercial principles, the capital and reserves of Export Finance Australia at an adequate level.
- Maintain the financial and other reporting procedures to provide for appropriate, accurate, timely and relevant information reporting to the Board.
- Monitor the operational and financial position and performance of Export Finance Australia.
- Approve Export Finance Australia's Annual Report and significant reports to the Government.
- Determine Export Finance Australia's dividend recommendation to be made to the Minister for each financial year.

2.5 Work Health and Safety

Exercising due diligence to ensure Export Finance Australia complies with its work, health and safety obligations by taking reasonable steps to:

- Acquire and keep up-to-date knowledge of work, health and safety matters.
- Understand the hazards and risks associated with the nature of Export Finance Australia's operations.
- Ensure that Export Finance Australia has and uses appropriate resources and processes to enable hazards to be identified and risks eliminated or minimised.
- Ensure that Export Finance Australia has appropriate processes for receiving and considering information regarding incidents, hazards and risks, and can respond in a timely way.
- Ensure that Export Finance Australia has, and implements, processes for complying with its duties and obligation in respect of work, health and safety legislation, such as reporting notifiable incidents and consulting with workers.

2.6 People

The Board supports a working environment that is diverse, competitive, fair and designed to attract and retain staff of high quality, experience and integrity. In recognition of this, the Board will:

- Monitor, and where appropriate, review Export Finance Australia's human resources policies.
- Oversee Management's alignment of its human resources policies with Export Finance Australia's strategic direction, objectives and goals.
- Ensure there are human resources policies in place to support an appropriately diverse and experienced Executive and Management teams.

2.7 Other

- Arrange for a review of the Board's performance to be conducted, at a minimum, every two years.

- Perform its function with the appropriate levels of independence, expertise, prudence and focus.
- Perform such other functions as are prescribed by law.
- Review this Board Charter from time to time and amend by approval of the Board.

3. The legal and compliance environment

The Board has established the Board Audit and Risk Committee as a committee of the Board pursuant to section 47 of the EFIC Act. The Board will establish such other committees as it considers necessary for the purpose of overseeing critical functions. Each committee will have a committee chair and a clearly defined charter approved by the Board setting out its structure, functions, duties and responsibilities.

4. Duties and responsibilities of the Chair

- Chair effective Board meetings and other relevant meetings and functions.
- Provide leadership to the Board, maintaining ethical standards and assisting to resolve conflicts.
- Facilitate a professional environment and open communication between the Board, its Committees and Management to support an effective decision making process.
- Ensure that the strategic direction of Export Finance Australia is a focus at Board discussions.
- Ensure the stakeholders' interests are accurately represented to the Board Members.

5. Duties and responsibilities of individual Board Members (including Chair)

- Prepare for, attend and participate at Board meetings and, where relevant, Board Audit and Risk Committee meetings.
- Perform with the expertise, competence and integrity required by the Board.
- Communicate openly within the Board and with Management.
- Acquire and develop general knowledge of Export Finance Australia, its business and regulatory environment.
- Comply with their obligations under relevant law, including the EFIC Act and the PGPA Act.
- Commit to the promotion of ethical, honest and responsible decision making and the observance of their fiduciary duties.
- Represent Export Finance Australia at external meetings or functions and advocate for and on behalf of Export Finance Australia where appropriate.

6. Access to Management

Individual Board Members shall have complete and open access to:

- the Managing Director & CEO;
- the Board Secretary; and
- other Management, after consultation with the Chair and Managing Director & CEO.

7. Duties and responsibilities of the Managing Director & CEO

- Be ultimately responsible to the Board for the performance of Export Finance Australia and the Executive.
- Serve as a member of the Board.
- Select, appoint and remove employees of Export Finance Australia, subject to guidance by the Board in respect of Executive appointments.
- Delegate responsibilities and authorities to appropriate employees of Export Finance Australia.

8. Duties and responsibilities of the Executive (including the Managing Director & CEO)

- Manage Export Finance Australia in accordance with the directions and policies approved by the Board.
- Manage all matters necessary, incidental or connected with the conduct of the business of Export Finance Australia, subject to the provisions of relevant law, including the EFIC Act and the PGPA Act.
- Ensure that the Board is provided with all information Management possesses that is material to the Board's decisions and responsibilities.
- Work with the Board to provide comprehensive information to support new and existing non-Executive Board Members in obtaining and maintaining a broad and deep knowledge of Export Finance Australia.
- Comply with their obligations under relevant law, including the EFIC Act and the PGPA Act.

9. Duties and responsibilities of the Board Secretary

- Distributing papers for, attending and taking minutes of, Board meetings.
- Distributing papers for, attending and taking minutes of, Board Audit and Risk Committee meetings or delegate responsibility to an appropriate employee of Export Finance Australia with approval of the Chair of that committee.
- The Board Secretary is accountable to the Managing Director & CEO, and the Board through the Chair, for all corporate governance matters.