

# Ecofund – Corporate Governance Commitment

<b>Policy title</b>	<b>Ecofund – Corporate Governance Commitment</b>		
<b>Responsibility</b>	<b>Board of Directors, Management Team, All Staff</b>		
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## 1 Introduction

Good corporate governance is fundamental to the culture and the business practices of a successful company.

The Ecofund Queensland (Ecofund) Board of Directors is responsible for the company’s corporate governance.

Ecofund is committed to strong corporate governance through its Board and management team to ensure its business activities are conducted legally and at the highest standards of integrity and propriety.

Each Director and employee of Ecofund is expected to have regard to the company’s practices and policies in the performance of their duties.

## 2 Corporate Governance Principles and Standards

Ecofund has aligned its corporate governance practices with the Australian Securities Exchange *Corporate Governance Principles and Recommendations* (ASX Principles).

The ASX Principles were released in March 2003 and revised in 2007. Ecofund will align its corporate governance practices with the revised ASX Principles.

To support Ecofund’s commitment to good corporate governance, the company has developed its policies in line with the Australian Standards for Corporate Governance AS 8000-2003 to AS 8004-2003.

Ecofund will continually review its practices and policies to respond to further developments in corporate governance and to achieve ethical business excellence.

## 3 Board of Directors

Ecofund’s Constitution provides the shareholder with the power to appoint or remove Directors to the Board.

The Board is structured to add value with the composition, size and commitment to adequately discharge its responsibilities and duties (**ASX Principle 2**)

All Directors are non-executive Directors and in accordance with the criteria set out in the ASX Principles; these Directors are assessed as independent.



Each Director's independence is assessed on a case-by-case basis against their individual circumstances rather than by a general materiality threshold.

Ecofund has a Board Charter that sets the foundation of the functions delegated to the Board within the Constitution.

#### **4 Risk Management**

As a proprietary company, Ecofund is a separate legal entity from the Government. Ecofund's Board assumes governance and risk compliance and has established an appropriate system of risk oversight and management (**ASX Principle 7**).

Specific risks derived from the conduct of the company's activities are addressed by the company's Board, in conjunction with the company's CEO and senior management. This is managed through various targeted risk management policies and plans and a dedicated Audit and Risk Committee with its own Charter (terms of reference).

Risk management policies and plans are developed in line with the Australian Standard AS/NZS 4360 and supporting guidelines.

#### **5 Internal Controls**

Ecofund acknowledges that probity and transparency are crucial to ensuring it meets the public's high expectations of accountability given its relationship to the Queensland Government (as Ecofund's Shareholder) and the nature of its business.

The company's Board promotes ethical and responsible decision making by the use and commitment to codes of conduct and internal controls dealing with conflicts of interest and disclosure (**ASX Principle 3**).

Ecofund has strict conflicts of interest and disclosure processes that ensure all Directors, senior management and employees act impartially and with integrity during the course of their employment.

Ecofund is committed to ensure its foundations for management and oversight are solid and the respective roles and responsibilities of the Board and executive management are disclosed (**ASX Principle 1**).

Ecofund's Constitution delegates certain responsibilities to the Board. Similarly, the Board may delegate any of its powers or responsibilities to the CEO or their senior management.

Ecofund has developed a delegations structure that clearly articulates the delegations at all levels of the company. This policy is supported by procedures and has the effect of a directive to all personnel engaged within the company.

Ecofund must also have a structure to independently verify and safeguard the integrity of its financial reporting (**ASX Principle 4**). In accordance with its Constitution, Ecofund has appointed the Queensland Auditor-General as its auditor.

## 6 Remuneration

Ecofund’s Directors are remunerated separately from its employees. However, the overarching principle for all remuneration in Ecofund is that it is fair and responsible (**ASX Principle 8**).

In accordance with the company’s Constitution, Directors’ fees are set by the shareholder and are consistent with the Queensland Government’s *Remuneration of Part-time Chairs and Members of Government Boards, Committees and Statutory Authorities* policy.

The CEO’s remuneration is set by the Board and in accordance with the company’s Constitution, is approved by the shareholder.

Senior executives’ remuneration is set by the CEO and approved by the Board. The CEO and Board must ensure the level and composition of remuneration for senior executives is sufficient and reasonable and that it is clearly related to performance.

## 7 Shareholder’s Interests

The Board has a formal Handbook to guide compliance with legal obligations to legitimate stakeholders.

Ecofund is committed to respecting the rights of the shareholder/s and facilitating the effective exercise of those rights (**ASX Principle 6**). This is achieved through a Statement of Corporate Intent and compliance with the Objects of the company’s Constitution, and a Shareholder’s Governance Framework.

Ecofund is required to keep the shareholder and responsible Minister reasonably informed and promotes the timely and balanced disclosure of all material matters concerning the company (**ASX Principle 5**). This is achieved by regular communication between the shareholder and the Chairman of the Board as well as compliance with reporting or media protocols.

## 8 Policies

Ecofund has developed a suite of policies and protocols to assist with regulatory compliance, internal governance and meeting the shareholders’ governance expectations. Ecofund’s policies and guidelines will change from time to time.

## 9 Further information

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## 10 Document Version Control

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