

Board Charter

Qube Holdings Limited

ACN 149 723 053

1. Overview

1.1 General Responsibilities

- (a) The Board is primarily responsible for ensuring that Qube Holdings Limited (**Qube**) has an appropriate corporate governance structure aimed at creating and protecting shareholder value.
- (b) The Board is also responsible for ensuring that management recognises Qube's legal and other obligations to all legitimate stakeholders. "Stakeholders" are groups that are likely to feel a social, environmental, economic or financial impact from Qube's actions. They include shareholders, customers, suppliers, employees, government regulators and members of the communities where Qube operates who are affected by Qube's activities.
- (c) Qube's obligations to its stakeholders require that appropriate accountability and control systems are in place.
- (d) This Board Charter explains Qube's commitment to corporate governance. It is not an "all inclusive" document and should be read as a broad expression of principles. The Board will review this Charter on an annual basis.

1.2 Corporate Governance

Qube endorses the ASX Corporate Governance Council's Corporate Governance Principles and Recommendations, as amended (**ASX Principles**).

2. Qube Constitution

The Qube Constitution is Qube's key governance document. The Board ensures that it and Qube complies with the provisions of the Constitution.

3. Compliance with Laws

3.1 Specific Laws

As a public company listed on the Australian Securities Exchange (**ASX**), Qube must comply with the Corporations Act and the ASX Listing Rules as well as all other applicable laws. Examples of applicable areas of regulation include:

- (a) work, health and safety legislation;
- (b) employment related laws;
- (c) environmental protection legislation;
- (d) anti-discrimination legislation;
- (e) Competition and Consumer Act; and
- (f) taxation legislation.

3.2 General

As a group operating in numerous jurisdictions throughout Australia, Qube must ensure that it is aware of and complies with all applicable laws in those jurisdictions.

4. Composition of the Qube Board

4.1 Board

The Board is to comprise:

- (a) the Managing Director; and
- (b) at least 2 other Directors.

4.2 Chairman

The Chairman is to be an Australian citizen.

5. Responsibilities and Duties

5.1 Specific Responsibilities

The Qube Board is responsible for setting the strategic direction of Qube and monitoring the implementation of that strategy by Qube management, including:

- (a) oversight of the Qube Group, including its control and accountability systems;
- (b) oversight of, monitoring and evaluating key SHE issues across the Group business;
- (c) appointing and removing the Managing Director;
- (d) appointing and removing the Company Secretary;
- (e) Board and executive management development and succession planning;
- (f) input into and final approval of corporate strategy;
- (g) input into and final approval of the annual operating budget (including the capital management budget);
- (h) approving and monitoring the progress of major capital expenditure, capital management and acquisitions/divestitures;
- (i) monitoring compliance with all relevant legal, tax and regulatory obligations;
- (j) reviewing and monitoring systems of risk management and internal compliance and controls, codes of conduct, continuous disclosure, legal compliance and other significant corporate policies;
- (k) at least annually, reviewing the effectiveness of Qube's implementation of its risk management system and internal control framework;
- (l) monitoring executive management's performance and implementation of strategy and policies, including assessing whether appropriate resources are available;

- (m) approving and monitoring financial and other reporting to the market, shareholders, employees and other stakeholders; and
- (n) appointment, reappointment or replacement of the external auditor.

5.2 Performance

In discharging their duties, each Director must:

- (a) exercise care and diligence;
- (b) act in good faith in the best interests of Qube;
- (c) not improperly use their position or misuse information of Qube; and
- (d) commit the time necessary to discharge effectively his/her role as a Director.

5.3 Meetings

- (a) All Directors (including Executive Directors) are entitled to be heard at all meetings and should bring an independent judgement to bear in decision-making.
- (b) Non-Executive Directors should confer at least annually without management present.

5.4 Written Resolutions

Written resolutions:

- (a) are to be sent to all Directors;
- (b) are not to be implemented if any Director who is not excluded from voting on the resolution advises that they have any reservations about the proposed resolution (in which case the matter is to be considered at the next Board meeting); and
- (c) are not to be implemented until all of the Directors who are not excluded from voting on the resolution consent to the resolution.

5.5 Review

At least once each year, the Directors will:

- (a) review this Charter and approve any required amendments including those required to comply with the ASX Principles; and
- (b) review the Board's performance during the previous 12 months.

6. Committees

6.1 Established Committees

To assist the Board in fulfilling its duties and responsibilities, it has established 3 Committees:

- (a) Audit and Risk Management Committee;

- (b) Nomination and Remuneration Committee; and
- (c) Safety, Health and Environment (SHE) Committee.

6.2 Charters

Each Committee has a formal Charter and has been granted certain delegations.

6.3 Reporting

Each Committee has an obligation to report on its meetings to the Board and minutes of all Committee meetings are made available to all Directors.

6.4 Audit and Risk Management Committee

The Audit and Risk Management Committee assists the Board in regard to financial reporting, audit and risk management, including:

- (a) compliance with legal and regulatory obligations;
- (b) the integrity of the Qube Group's financial reporting;
- (c) oversight of the independence of the external and internal auditors; and
- (d) the effectiveness of the Qube Group's enterprise-wide risk management and internal control framework,

and provides strategic risk management leadership, oversight and analysis to the Qube Board.

6.5 Nomination and Remuneration Committee

The Nomination and Remuneration Committee assists the Board in regard to:

- (a) remuneration matters including:
 - (i) the remuneration framework for Non-Executive Directors;
 - (ii) the remuneration and incentive framework, including any proposed equity incentive awards, for the Managing Director, any other Executive Directors and Senior Executives;
 - (iii) recommendations and decisions (as relevant) on remuneration and incentive awards for the Managing Director and other Senior Executives;
 - (iv) strategic human resources policies;
- (b) nomination matters including:
 - (v) Board succession planning;
 - (vi) Board appointments (including Executive Director), re-elections and performance;
 - (vii) Directors' induction programs and continuing development;

- (viii) Committee membership;
- (ix) Key management personnel appointments and performance;
- (x) endorsement of Senior Executive appointments; and
- (xi) diversity obligations.

6.6 SHE Committee

The SHE Committee assists the Board in fulfilling its strategy, policy, monitoring and corporate governance responsibilities in regard to safety, health, environment and operational matters including:

- (a) compliance with related legal and regulatory obligations; and
- (b) enterprise-wide risk management.

7. The Chairman

7.1 Prohibitions

The Chairman:

- (a) is not to exercise the role of Managing Director of Qube; and
- (b) is not to have previously held the position of Managing Director of Qube.

7.2 Responsibilities

The Chairman is responsible for:

- (a) leadership of the Board;
- (b) overseeing the Board in the effective discharge of its supervisory role;
- (c) the efficient organisation and conduct of the Board's function and meetings;
- (d) facilitating the effective contribution of all Directors;
- (e) briefing of all Directors in relation to issues arising at meetings;
- (f) the promotion of constructive and respectful relations between Board members and between the Board and management;
- (g) committing the time necessary to discharge effectively his/her role as Chairman;
- (h) scheduling regular and effective evaluations of the Board's performance; and
- (i) setting performance-based measures, determining outcomes and approving awards for the Managing Director under Qube's short-term incentive plan.

8. Directors

8.1 Independence

- (a) Independent Directors are those who have the ability to exercise their duties unfettered by any business or other relationship and are willing to express their opinions at the Board table free of concern about their position or the position of any third party. The Qube Board does not believe it is possible to draft a list of criteria which are appropriate to characterise, in all circumstances, whether a Non-Executive Director is independent. It is the approach and attitude of each Non-Executive Director which is critical and this must be considered in relation to each Director while taking into account all other relevant factors, which may include whether the Non-Executive Director:
- (i) is a substantial shareholder of Qube or an officer of, or otherwise associated directly with, a substantial shareholder of Qube;
 - (ii) within the last three years has been employed in an executive capacity by any member of the Qube Group, or been a director after ceasing to hold any such employment;
 - (iii) within the last three years has been a partner or a senior management executive with audit responsibilities of a firm which has acted in the capacity of statutory auditor of any member of the Qube Group;
 - (iv) within the last three years has been a principal of a material professional adviser or a material professional consultant to any member of the Qube Group, or an employee materially associated with the service provided – for this purpose a material professional adviser/consultant is an adviser whose billings to the Qube Group exceed 5% of the total revenues of the adviser/consultant;
 - (v) is a material supplier to, or material customer of, any member of the Qube Group, or an officer of or otherwise associated directly or indirectly with a material supplier or customer – for this purpose a material supplier to the Qube Group means a supplier whose revenues from the Qube Group exceed 5% of the supplier's total revenues and a material customer is a customer whose payments to the Qube Group exceed 5% of the customer's operating costs;
 - (vi) has a material contractual relationship with any member of the Qube Group other than as a director; and
 - (vii) has any interest or business or other relationship which could materially interfere with the Director's ability to act in the best interests of Qube and independently of management.
- (b) Family ties and cross-directorships may also be relevant in considering interests and relationships which may compromise independence and should be disclosed by Directors to the Board.
- (c) The above guidelines must be applied with common sense. Directors are best able to determine if they have an interest or relationship which is likely to impact on their independence. As such, each Director is expected to advise the Chairman immediately if they believe they may no longer be independent. Should the Chairman or any other Director have any concern about the

independence of a Director, they must immediately raise the issue with that Director and, if the issue is not resolved, with the Board.

- (d) Should the Chairman have any concern about his or her own independence, he or she must immediately raise the issue with the Deputy Chairman.
- (e) Each Director (other than the Chairman) must immediately disclose to the Chairman (with a copy to the Company Secretary) all information relevant for determining whether the Director is independent, including details of entities in which the Director has a material direct or indirect shareholding (or other interest), is an executive officer or is a director.
- (f) The Chairman must immediately disclose to the Deputy Chairman (with a copy to the Company Secretary) all information relevant for determining whether the Chairman is independent, including details of entities in which the Chairman has a material direct or indirect shareholding (or other interest), is an executive officer or is a director.
- (g) In the preparation of the agenda for each Board meeting, the Chairman and Company Secretary need to be sensitive to disclosed interests and consider whether it is appropriate to withhold part or all of an agenda item (including any relevant papers) from any Director because of a potential or actual conflict. If the Chairman decides to withhold part or all of an agenda item from a Director, they must advise the Director at the time of dispatch of the relevant Board paper.
- (h) Directors are to inform the Chairman or, in the case of the Chairman, the Deputy Chairman, prior to accepting any new appointment to any entity's board.

8.2 Access to Information, Independent Advice and Continuing Development

- (a) Management must provide the Board and Committees with information in a form, timeframe and quality that enables them to effectively discharge their responsibilities and duties. Directors are entitled to request and receive copies of Committee papers.
- (b) Directors are entitled to request and receive such reasonable additional information as they consider necessary to support informed decision-making. If a Director wishes to seek information from an employee of the Qube Group, they must first submit a request to the Managing Director or the Company Secretary who will then facilitate suitable arrangements for obtaining the requested information. Any Director may, with prior approval of the Chairman, take such independent legal, financial or other advice as they consider necessary at Qube's cost.
- (c) The Board should understand the Qube Group structure and operations and key developments affecting the Qube Group and may receive periodic presentations to assist in achieving such an understanding.

8.3 Appointment and Removal of Directors

- (a) The Board should be of a size and composition that is conducive to making decisions expediently, with the benefit of a variety of perspectives and skills, and in the best interests of the Qube Group as a whole rather than of individual shareholders or other stakeholders.

- (b) The Nomination and Remuneration Committee is responsible for making recommendations to the Board relating to the appointment and retirement of Directors.
- (c) A new Director will receive a formal letter of appointment setting out the key terms and conditions relative to the appointment.

8.4 Director Protection Deeds

- (a) The Constitution indemnifies each Director to the fullest extent permitted by law.
- (b) Each Director is entitled to a Director Protection Deed which shall include provisions relating to:
 - (i) access to Board papers;
 - (ii) indemnity by Qube; and
 - (iii) the maintenance of directors' and officers' insurance.

8.5 The Managing Director

- (a) The Managing Director is responsible for the day-to-day management of the Qube Group with all powers, discretions and delegations authorised, from time to time, by the Board.
- (b) The Managing Director is to have a formal executive services agreement describing his/her term of office, duties, rights and responsibilities and entitlements on termination.
- (c) At each meeting where the Board approves the half-year and full-year financial statements, the Managing Director must provide the Board with a written declaration (together with an equivalent declaration from Qube's Chief Financial Officer) which includes a declaration whether, in the Managing Director's opinion:
 - (i) the financial records of Qube and the entities who are consolidated for financial reporting purposes (**Reporting Entity**) for the relevant reporting period have been properly maintained in accordance with section 286 of the Corporations Act;
 - (ii) the Reporting Entity's financial statements and the notes referred to in sections 295(3)(b) or 303(3) of the Corporations Act for the relevant reporting period comply with the accounting standards;
 - (iii) the financial statements and notes for the reporting period give a true and fair view of the financial position and performance of the Reporting Entity;
 - (iv) the declaration set out in paragraph 8.5(c)(iii) is founded on a sound system of risk management and internal control which, in all material respects, implements the policies adopted by the Board; and
 - (v) Qube's risk management and internal control system is operating effectively in all material respects.

9. Qube Policy Framework

9.1 Policy Framework

The Board oversees the Qube policy framework, including key Qube policies. The Qube policy framework includes the Qube Code of Conduct and Ethics and other significant policies recommended by the ASX Principles.

9.2 Qube Code of Conduct and Ethics

- (a) The Qube Code of Conduct and Ethics is to be observed by all Directors, employees, consultants and any other person when they represent the Qube Group.
- (b) The Qube Code of Conduct and Ethics deals with compliance in the following areas of conduct:
 - (i) acting in Qube's best interests;
 - (ii) honesty and integrity;
 - (iii) treatment of others;
 - (iv) conflicts of interest;
 - (v) privacy and confidentiality; and
 - (vi) improper payments, benefits or gains.

9.3 Investor Relations Program

- (a) Qube has established an Investor Relations Program which is a policy designed to promote effective communication with shareholders and encourage effective participation at general meetings.
- (b) Shareholders are encouraged to contact the Qube's Share Registry to arrange the direct receipt of shareholder materials.
- (c) As part of an effective shareholder communications strategy, Qube will:
 - (i) maintain and keep current the corporate governance information on its website; and
 - (ii) make available via its website announcements it lodges with the ASX and materials presented at significant investor briefings.
- (d) As part of Qube's continuous disclosure obligations, Qube must provide commentary on its financial results to enhance the clarity and balance of the report. This commentary should include information needed by a sophisticated investor to make an informed assessment of Qube's activities and results.
- (e) Qube issues annually a Corporate Governance Statement containing the content required by the ASX Principles (as well an explanation of any departures from the ASX Principles) for the relevant reporting period.
- (f) Qube generally adopts the ASX Principles for Notices of Meetings.

9.4 Continuous Disclosure Policy

- (a) Qube has established a Continuous Disclosure Policy, which is designed to ensure that Qube complies with its continuous disclosure obligations that arise under the ASX Listing Rules.
- (b) As part of this policy, senior executives in Qube are required to immediately advise the Managing Director or the Company Secretary of material information that may need to be disclosed, and the Managing Director, in consultation as required with the Board, will make a decision concerning disclosure of the information and the terms of the disclosure.

9.5 Risk Management Policy

- (a) Qube has established a Risk Management Policy, which is designed to establish a process for risk management procedures and internal control of major risks.
- (b) As part of this policy, each of the operating business units controlled by Qube is required to have its own risk management committee which is responsible for identifying, assessing and managing material risks relevant to the business unit.
- (c) Each risk management committee is responsible for reporting to Qube's Audit and Risk Management Committee and SHE Committee twice per year (or more regularly at the request of Qube's Audit and Risk Management Committee or SHE Committee).

9.6 Diversity Policy

- (a) Qube has established a Diversity Policy, which is designed to promote the creation of an environment throughout Qube in which equity and diversity are recognised as being essential to the high performance of the Qube Group and incorporated into the Qube Group's day to day business.
- (b) Key principles of this policy include:
 - (i) taking steps to attract and retain well qualified employees, senior management and Board members from a deep talent pool;
 - (ii) eliminating artificial, unfair and inappropriate barriers to workplace and Board participation and facilitating equal employment opportunities based on merit, performance and potential;
 - (iii) taking action against inappropriate workplace behaviours including discrimination and harassment;
 - (iv) providing the opportunity for workplace flexibility when meeting business requirements; and
 - (v) creating an inclusive workplace culture, recognising that people are different and valuing those differences.

10. External Auditor

The external auditor must attend the Annual General Meeting of Qube and must be available to answer questions about:

- (a) the conduct of the audit;
- (b) the preparations and content of the auditor's report;
- (c) the accounting policies adopted by Qube in relation to the preparation of the financial statements; and
- (d) the independence of the external auditor in relation to the conduct of the audit.