

Board Charter

Qube Holdings Limited

ACN 149 723 053

1. Overview

1.1 Purpose

This Charter sets out the role, responsibilities, membership and operation of the board of directors (**Board**) of Qube Holdings Limited (**Qube**) in respect of Qube and its controlled group of entities (**Qube** or **the Group**).

1.2 Role

The Board is responsible to shareholders for the long-term performance of Qube and for overseeing the implementation of high standards of corporate governance for the Group. In fulfilling its role, the Board endorses the ASX Corporate Governance Council's Corporate Governance Principles and Recommendations, as amended and applicable (**ASX Principles**).

1.3 Objectives

The objectives of the Board are to:

- (a) approve Qube's purpose, values and code of conduct, the aim of which are to underpin and reinforce a culture across the organisation of acting lawfully, ethically and responsibly;
- (b) ensure that Qube has an appropriate corporate governance structure and policies and procedures aimed at sustainable value creation for shareholders;
- (c) ensure that management recognises Qube's legal and other obligations as well as the reasonable interests of stakeholders that are likely to feel a social, environmental, economic or financial impact from Qube's actions, such as shareholders, customers, suppliers, employees, government regulators and members of the communities where Qube operates; and
- (d) oversee executive management's conduct of the Group's business in achieving its strategic objectives and ensuring that appropriate accountability, risk management and control systems are in place.

2. Composition of the Qube Board

- (a) The Board is to comprise:
 - (i) the Managing Director; and
 - (ii) at least 2 other Directors.
- (b) The Chair of the Board is to be an Australian citizen.
- (c) There must be at least one Company Secretary who will also be the secretary of the Board's standing committees.
- (d) 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. Decisions must be in the best interests of the Qube Group as a whole rather than of individual shareholders or other stakeholders.

3. Meetings

3.1 Convening Meetings

- (a) The Board shall meet at least six times a year. If required, additional meetings may be requested through the Company Secretary by the Chair, any Director or Qube's external auditor. The Board may also hold workshops to consider matters of relevance and conduct visits to Qube's operations and meet with operational management during the year.
- (b) All Directors (including the Managing Director) are entitled to be heard at all meetings and should bring an independent judgement to bear in decision-making.
- (c) Non-executive Directors should confer regularly without management present.
- (d) The Company Secretary is to attend all Board meetings to ensure minutes are taken of the meeting and to provide governance-related advice as required or requested by the Board.

3.2 Written Resolutions

- (a) Resolutions proposed to be passed without holding a meeting must be in writing and circulated to all Directors.
- (b) Resolutions are to be approved and implemented in accordance with the rules of Qube's Constitution.
- (c) If any Director, who is not excluded from voting on the resolution, advises the Chair or the Company Secretary that he or she has any reservations about the proposed resolution then, depending on the importance and urgency of the resolution, the Company Secretary, in consultation with the Chair, may determine to call a Board meeting to consider the resolution.

4. Authority

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

5. Responsibilities and Duties

5.1 Specific Responsibilities

The Qube Board is responsible for setting:

- (a) the strategic direction of Qube and monitoring the implementation of that strategy by Qube management;
- (b) Qube's purpose and values and overseeing management's inculcation of those values across the organisation; and
- (c) Qube's risk appetite statement, determining the type and level of risk Qube will accept to meet its objectives.

Specifically, the Board's responsibilities include:

- (a) the Board satisfying itself that appropriate frameworks are in place for relevant information to be reported by management to the Board;
- (b) overseeing the Qube Group, including control and accountability systems and, whenever required, challenging management and holding it to account;
- (c) overseeing the monitoring and evaluation of key safety, health, environmental, social and governance issues across the Group business;
- (d) appointing and removing the Chair;
- (e) appointing and removing the Managing Director;
- (f) appointing and removing the Company Secretary;
- (g) Board and executive management development and succession planning;
- (h) providing input into and final approval of corporate strategy;
- (i) providing input into and final approval of the annual operating budget (including the capital management budget);
- (j) approving and monitoring the progress of major capital expenditure, capital management and acquisitions/divestitures;
- (k) monitoring compliance with all relevant legal, tax and regulatory obligations;
- (l) reviewing and monitoring systems of risk management (for both financial and non-financial risk) and internal compliance and controls, codes of conduct, continuous disclosure, legal compliance and other significant corporate policies;
- (m) at least annually, reviewing the effectiveness of Qube's implementation of its risk management system and internal control framework;
- (n) overseeing the Qube policy framework and approving the key corporate governance policies available in the Governance and Ethical Conduct sections of Qube's website;
- (o) monitoring executive management's performance and implementation of strategy and policies, including assessing whether appropriate resources are available;
- (p) approving and monitoring financial and other reporting to the market (including disclosure of key risks including those relating climate change), shareholders, employees and other stakeholders;
- (q) overseeing relations and communications with shareholders, including monitoring disclosure to the market and arrangements for Qube's annual general meetings; and
- (r) determining the 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 their role as a Director.

6. Committees

6.1 Delegation of Responsibilities

The Board may delegate any of its responsibilities to a committee of the Board.

6.2 Established Committees

To assist the Board in fulfilling its duties and responsibilities, it has established three standing committees:

- (a) Audit and Risk Management Committee;
 - (b) Nomination and Remuneration Committee; and
 - (c) Safety, Health and Sustainability (SHS) Committee,
- (each a **Committee**).

6.3 Charters

Each Committee has a formal Charter approved by the Board and has been granted certain delegations under its Charter.

6.4 Reporting

- (a) Materials for each Committee meeting are made available to all Directors.
- (b) 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.

6.5 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 and associated disclosure documents for release to the market;
- (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.

6.6 Nomination and Remuneration Committee

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

- (a) people and culture matters including:
 - (i) diversity and inclusion;
 - (ii) succession planning for the Managing Director and senior executives;
 - (iii) well-being initiatives, psychosocial hazards and incidents and workplace sexual and gender-based harassment.
- (b) remuneration matters including:
 - (i) the Board satisfying itself that Qube's remuneration policies align with the Qube's purpose, values, strategic objectives and risk appetite as set by the Board;
 - (ii) the remuneration framework for Non-executive Directors;
 - (iii) the remuneration and incentive framework, including any proposed equity incentive awards, for the Managing Director and senior executives;
 - (iv) recommendations and decisions (as relevant) on remuneration and incentive awards for the Managing Director and other senior executives;
 - (v) strategic human resources policies;
- (c) nomination matters including:
 - (i) Board succession planning;
 - (ii) Board appointments (including the Managing Director), re-elections and performance;
 - (iii) Directors' induction programs and continuing development;
 - (iv) Committee membership;
 - (v) Key management personnel appointments and performance;
 - (vi) endorsement of senior executive appointments; and
 - (vii) diversity obligations.

6.7 Safety, Health and Sustainability Committee

- (a) The Safety, Health and Sustainability Committee assists the Board in fulfilling its strategy, policy, monitoring and corporate governance responsibilities in regard to safety, health, environmental, social, governance and operational matters.
- (b) The Committee's responsibilities include:

- (i) overseeing Qube's policies, strategies, systems and processes as they relate to safety, health and environment matters arising out of the operations and activities of the Qube Group as they affect employees, contractors, local communities and the environment;
- (ii) monitoring the effectiveness of Qube's risk management framework by overseeing the management of risks within the remit of the Committee's responsibilities as outlined in its charter; and
- (iii) assessing and reporting Qube's climate change risks and its carbon emissions reduction strategy and implementation.

7. The Chair

7.1 Prohibitions

The Chair:

- (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 Chair 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 including approving Board agendas and ensuring that information is presented in a form, and adequate time is available, for discussion of all agenda items including strategic issues;
- (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 Chair;
- (h) scheduling regular and effective evaluations of the performance of the Board its Committees and Directors; and
- (i) setting performance-based measures, determining outcomes and approving awards for the Managing Director under Qube's short-term incentive plan; and
- (j) consulting with, and taking advice from, the Company Secretary on governance matters as they pertain to the Chair's responsibilities and the proper functioning of the Board.

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.
- (b) 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 Qube, its subsidiaries or associates (**Extended 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 Extended 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 Extended 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 Extended 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 Extended Qube Group means a supplier whose revenues from the Extended Qube Group exceed 5% of the supplier's total revenues and a material customer is a customer whose payments to the Extended Qube Group exceed 5% of the customer's operating costs;
 - (vi) has a material contractual relationship with any member of the Extended 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.
- (c) 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.

- (d) 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 Chair immediately if the Director believes he or she may no longer be independent. Should the Chair or any other Director have any concern about the independence of a Director, he or she must immediately raise the issue with that Director and, if the issue is not resolved, with the Board.
- (e) Should the Chair have any concern about his or her own independence, he or she must immediately raise the issue with the Board.
- (f) In accordance with law and applicable Qube policy, each Director (other than the Chair) must immediately disclose to the Chair (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.
- (g) The Chair must immediately disclose to the Board (with a copy to the Company Secretary) all information relevant for determining whether the Chair is independent, including details of entities in which the Chair has a material direct or indirect shareholding (or other interest), is an executive officer or is a director.
- (h) In the preparation of the agenda for each Board meeting, the Chair 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 Chair decides to withhold part or all of an agenda item from a Director, the Chair must advise the Director at the time of dispatch of the relevant Board paper.
- (i) Directors are to inform the Chair or, in the case of the Chair, the Board and Company Secretary, 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, the Director 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 Chair, take such independent legal, financial or other advice as he or she considers necessary at Qube's cost.
- (c) The Directors may take such independent legal, financial or other advice as the Directors consider necessary at Qube's cost.

- (d) Any individual Director may, with prior approval of the Chair, take such independent legal, financial or other advice as he or she considers necessary at Qube's cost.
- (e) 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 Nomination and Remuneration Committee is responsible for making recommendations to the Board relating to the appointment and retirement of Directors.
- (b) A new Director will receive a formal letter of appointment setting out the key terms and conditions relating to the appointment.

8.4 Officer Protection Deeds

- (a) The Constitution requires each Director be indemnified to the fullest extent permitted by law.
- (b) Each Director is entitled to enter into an Officer Protection Deed with Qube which shall include provisions relating to:
 - (i) access to Board papers;
 - (ii) indemnity of the Director 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:
 - (i) whether, in the Managing Director's opinion:
 - (A) 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;
 - (B) 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;

- (C) 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;
- (ii) declaring that the statements set out in paragraph 8.5(c) are founded on a sound system of risk management and internal control which, in all material respects, implements the policies adopted by the Board; and
- (iii) declaring that Qube's risk management and internal control system is operating effectively in all material respects.

9. External Auditor

The external auditor must attend Annual General Meetings of Qube and 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.

10. Board Performance

To determine whether it is functioning effectively, the Board will:

- (a) periodically review this Charter and approve any required amendments to it (including those required to comply with changes to the ASX Principles); and
- (b) conduct an annual review of the performance of the Board, its Committees and individual Directors; and
- (c) identify opportunities for continual improvement.