



# Governance Committee Charter

## 1. Purpose of Charter

This **Charter** sets out the role, functions, structures and processes of the NPP Governance Committee (**Committee**) of NPP Australia Limited (**Company**).

## 2. Committee Objectives

The primary objective of the Committee is to assist the Board in fulfilling its oversight responsibilities in relation to NPP system access and governance, and overseeing the compliance of NPP Participants and other parties with NPP requirements and obligations.

## 3. Responsibilities

Consistent with the objectives of this Charter, the Committee has the following powers and responsibilities:

- a. The Committee has delegated authority to exercise the powers and functions of the full Board in relation to the determination of Participation Applications and OSP Applications as described in Regulations 4.7, 4.9 and 4.11 of the NPP Regulations.
- b. The Committee has delegated authority to make decisions with respect to the determination of Non-Compliance findings under the Mandatory Compliance framework established by Part 3 of the NPP Regulations, and the assessment of associated Non-Compliance Charges in accordance with the NPP Regulations;
- c. The Committee has delegated authority to assess and determine annual NPP Transaction Fees and annual administration (operating) fees in accordance with the Transaction Pricing Model (which may include Administration Fees) approved by the Board;
- d. Assessment of grounds for suspension or termination of NPP Participants and other parties under Part 9 of the NPP Regulations, for recommendation to the Board;
- e. Ongoing assessment of the efficacy of the NPP Compliance and Assurance framework and associated compliance reviews of NPP Participants and parties.

## 4. Governance

### 4.1 General

- a. The Committee is comprised of the independent directors on the Board and the Chief Executive Officer. The Chair of the Committee will be appointed by the Board from one of the appointed members.
- b. The Committee will meet up to six times a year if required (indicatively immediately before or after scheduled Board meetings).
- c. The quorum for a meeting of the Committee is a simple majority of Committee members.
- d. Video or conference call participation by Committee members, or other attendees, requires the Chair's approval.
- e. Committee members are expected to disclose any conflicts of interests at the commencement of each meeting.
- f. The Committee will seek to make unanimous recommendations and decisions in the first instance. If unanimity cannot be reached, the Committee may vote on the matter. Each member has one vote. Support of a simple majority of members present is required for a decision to be made.
- g. The Committee may invite non-members to its meetings to provide advice from time to time. The Committee may call on non-members (including representatives of NPP Participants, Connected Institutions, Overlay Service Providers or NPPA personnel) to produce documents or information to assist it in the performance of its functions and responsibilities.
- h. The Committee may call on independent expertise as required, on an ad hoc or standing basis to fulfil the objectives of the Committee.
- i. The Company Secretary will undertake the duties of secretariat. Management will provide support to the Committee as required.

- j. In addition to the matters set out in this Charter, the provisions of the Constitution that apply to meetings and resolutions of directors, apply to meetings and resolutions of the Committee.

#### **4.2 Authority and Accountability**

- a. The Committee is established by the Board, under Article 9.6 of the Constitution.
- b. The Committee is accountable to the Board.

#### **4.3 Reporting**

The Committee will report outcomes of its meetings to the Board within a reasonable period, as required, and will exercise its functions in accordance with any directions of the Board.

### **5. Review of Charter**

The Committee will review this Charter annually so that it remains consistent with the Board's objectives and responsibilities.

The Board may amend this Charter in its own right or on the recommendation of the Committee.

### **6. Glossary**

Words defined in the Constitution have, unless the contrary intention appears, the same meaning in this Charter.

## Change history

Date	Version	Reviewed by	Approved by	Change
05/06/2019	0.1	General Counsel, NPPA	PCC	Draft Charter for PCC review and approval.
20/06/2019	1.0	General Counsel, NPPA	Board	Approved version.
28/11/2019	2.0	General Counsel, NPPA	Board	Amendment to include authority to determine Participation and OSP Applications.
09/09/2020	2.0	General Counsel, NPPA	Board	Annual review.
10/12/2020	2.0	NPPA	NPPA	Copied into Governance template.