

BOARD CHARTER

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Responsible person	Managing Director	Scheduled review date	27/10/2025

1. Introduction

This Charter sets out the roles, responsibilities, structure and processes of the Board of Directors of Common Equity Housing Limited (CEHL).

2. Roles and Responsibilities

- 2.1 The Board of has ultimate responsibility for the management and control of CEHL's business and affairs in accordance with CEHL's Constitution and any legal or statutory obligation or requirements.
- 2.2 The role of the Board includes approving the Vision, Purpose, Values and strategic direction of CEHL, and guiding and monitoring the management of CEHL towards achieving its strategic objectives and overseeing good governance practice.
- 2.3 Board responsibilities include:
 - a. Approving the vision, purpose and values.
 - b. Approving the strategic plan, business plans and governance policies.
 - c. Monitoring the strategic direction, business and organisational plan projects, and overseeing the Executive in its instilling of CEHL's values.
 - d. Setting the risk appetite and monitoring and reviewing the financial and non-financial risk management systems, including internal compliance and control mechanisms.
 - e. Approving the annual audited financial statements (including the directors' report) and any other published reporting, upon recommendation from the Finance and Risk Committee (FAR), and in accordance with the Constitution, Corporations Act, and any other applicable regulations.
 - f. Approving and monitoring operating budgets, major capital expenditure, capital management, capital raising initiatives and loans, and acquisitions and divestment.
 - g. Overseeing accounting and corporate reporting systems, reviewing the effectiveness of these systems in ensuring they result in adequate, accurate and timely information being provided to the Board, and appointing, re-appointing or removing the external auditors and approving the auditor's remuneration (upon recommendation from FAR).
 - h. Approving and monitoring the effectiveness of the system of corporate governance, including the formation of Board Committees and the terms of applicable governance charters.
 - i. Monitoring and guiding the culture, reputation and standards of conduct (upon recommendation from the People, Culture and Governance Committee (PCG)).
 - j. Approving and complying with the Director's Code of Conduct, and other governance level policies, and monitoring their effectiveness, and addressing any material breaches.

- k. Approving the remuneration policies for non-executive directors (*except the aggregate pool of annual remuneration to non-executive Directors which must be approved by Shareholders in accordance with the Constitution*), the Managing Director and Executive.
- l. Determining the process for evaluating Board performance (upon recommendation of the PCG).
- m. Appointing and removing the Managing Director and overseeing the performance review of the Managing Director (upon recommendation of the PCG).
- n. Reviewing and approving succession management plans for the Managing Director and senior executives.
- o. Whenever required, challenging management and holding it to account.
- p. Approving any communication with shareholder co-ops and other stakeholders on board deliberations and decisions.
- q. Reviewing the division of responsibilities between the Board and Managing Director.

3. The role of management

- 3.1 The Constitution authorises the Board (through resolution, power of attorney, or in writing), to delegate, vary, or revoke any of their powers to Committees of the Board or to any person or persons as they think fit.
- 3.2 The Board delegates to the Managing Director powers to manage the day-to-day business of CEHL (subject to those powers reserved to the Board in the Delegated and Reserved Powers Policy) and provides any conditions or restrictions on the use of those powers.
- 3.3 Key responsibilities of the Managing Director include:
 - a. Managing and administering the day-to-day operations of CEHL and its businesses in accordance with the vision, purpose, values, strategy, business plans and policies approved by the Board.
 - b. Developing strategies for CEHL, its businesses and management, and making recommendations to the Board on such strategies.
 - c. Developing the annual budget and conducting activities within the approved annual budget.
 - d. Developing and maintaining risk management systems, including internal compliance and control mechanisms and ensuring that CEHL is operating within the risk appetite established by the Board.
 - e. Assigning clear responsibilities to the Executive and Senior Leadership Teams and supervising and monitoring their performance.
 - f. Reporting regularly to the Board with accurate, timely and clear information, such that the Board is sufficiently informed to enable the Board to discharge its responsibilities effectively.
 - g. Implementing policies, processes and codes approved by the Board.
 - h. Instilling and reinforcing the Vision, Purpose and Values that establish a culture that promotes ethical and responsible behaviour.

4. Composition of the Board

- 4.1 The composition of the Board is determined in accordance with the Constitution and any requirements of the Corporations Act.
- 4.2 The Board is responsible for determining an appropriate mix of skills, knowledge, experience, expertise and diversity on the Board, necessary to review and approve the strategic direction of CEHL, and to guide and monitor the management of CEHL, including through Committees of the Board.

- 4.3 The tenure of Directors of the Board is determined by the Constitution (which currently has no tenure limit). Appointed Director re-appointment is subject to the Board Performance Evaluation, Director Development and Succession Planning Policy.
- a. The PCG is responsible for developing and reviewing the succession and professional development plans of the Board (including the role of Chair), with the aim of maintaining an appropriate mix of skills, experience, expertise and diversity on the Board over time.
 - b. The PCG is also responsible for managing the succession process for appointed Directors.
- 4.4 The Board is responsible for undertaking an evaluation process to review its performance and that of its committees annually. The PCG is responsible for scheduling these reviews. The PCG Chair will implement a review system which, subject to consultation with the Board may include:
- a. a collective review of effectiveness undertaken by the Board;
 - b. individual performance reviews for directors;
 - c. opportunities for directors to give private feedback to the Chair on Board effectiveness; or
 - d. such other review mechanisms as the Board decides.

5. Board Meetings

- 5.1 The Board shall convene as determined in accordance with the Constitution and any requirements of the Corporations Act.
- 5.2 A Director may call a meeting of the Directors, and the Company Secretary must call a Board meeting.
- 5.3 The Company Secretary is responsible ensuring Board Papers are distributed to Directors prior to each meeting.
- 5.4 A quorum for a Board meeting shall be determined in accordance with the Constitution (currently three Appointed Directors and three elected Directors).
- 5.5 The Chair is responsible for the conduct of all Board meetings.
- 5.6 Draft minutes of each Board meeting shall be prepared by the Company Secretary promptly following the meeting for Director review.

Ethical Standards and Legal Duties

5.7 Code of Conduct

Each director shall abide by the terms of the Director's Code of Conduct and is expected to uphold the ethical standards and corporate behaviour described in the Code.

5.8 Duties

The Board will operate in a manner reflecting the values of CEHL in accordance with its agreed corporate governance guidelines, the Constitution, the Corporations Act and all other applicable laws and regulations.

5.9 Conflict of Interest

Each director has a fiduciary and statutory duty not to place themselves in a position which gives rise to, or is perceived to give rise to, a real or substantial possibility of conflict, whether it be a conflict of interest or conflict of duties. Each director is required:

- a. to ensure that the Board is notified (whether by formal standing notice or notification to the Company Secretary or Board immediately on becoming aware) of any such conflicts of interest; and
- b. if any matter is or likely to be brought before the Board which could give rise to such a conflict of interest, then the director:
 - i. shall disclose this to the Board;
 - ii. shall continue to receive Board papers or other information which relates to the matter which is the subject of the conflict of interest, unless the director requests, or the Chair determines, that he or she shall not receive any or all of those documents;
 - iii. could be asked to withdraw from any part of a Board or Board Committee meeting for the duration of any discussion; and
 - iv. not vote on the matter, unless a majority of directors who do not have an interest in the matter resolve that the disclosed interest should not disqualify the director.

6. Board Committees

- 6.1 The Board may from time to time establish and delegate any powers to a committee of the Board.
- 6.2 The Board is responsible for approving and reviewing the charter terms and membership of each committee established by the Board.
- 6.3 The performance of each committee is to be reviewed by the Board, which will also consider whether any amendments to the relevant charter are necessary.
- 6.4 All directors shall be entitled to attend meetings of Board committees where there is no conflict of interest.
- 6.5 Currently the Board has established the following committees and may from time to time establish Board Working Groups for specific purposes:
 - Co-op Program Committee (CPC)
 - Finance and Risk Committee (FAR)
 - People Culture and Governance Committee (PCG)
 - Policy Advisory Committee (PAC)
 - Property Committee (PC)
- 6.6 The PCG is tasked with preparing an induction program for new Directors. This is to be tailored to a Director's existing skills, knowledge and experience and is intended to equip them with skills to most effectively add value to the Board.

7. The Chair

- 7.1 The Board shall appoint a Chair in accordance with the Constitution which states that the Chair must be a co-op elected Director and appointed as Chair for a year.
- 7.2 Key responsibilities of the Chair are to:
 - a. promote constructive and effective relations between the Board and management and between directors;
 - b. facilitate the effective contribution of all directors; and
 - c. lead the Board;
 - d. ensure the efficient organisation and conduct of the Board's function;
 - e. brief all directors in relation to extraordinary issues arising at Board meetings;
 - f. chair CEHL general meetings; and
 - g. exercise such specific and express powers as are delegated to the Chair by the Board from time to time.

8. The Company Secretary

- 8.1 In accordance with the Constitution the Board must appoint at least one secretary
- 8.2 Appointment and removal of the Company Secretary is subject to Board approval.
- 8.3 The Company Secretary is accountable to the Board, through the Chair, on all matters to do with the proper functioning of the Board.
- 8.4 Each director has a right of access to the Company Secretary at all times.
- 8.5 The role of the Company Secretary includes:
 - a. advising the Board and Board committees on governance matters;
 - b. monitoring that Board and committee policy and procedures are followed;
 - c. co-ordinating the timely completion and distribution of Board and committee papers;
 - d. overseeing a process to ensure that all directors receive copies of all material announcements promptly after they have been made;
 - e. ensuring that the business at Board and committee meetings is accurately captured in the minutes; and
 - f. helping to organise and facilitate the induction and professional development of Directors.

9. Charter Review

- 9.1 The Board in consultation with the PCG will from time to time review the Board Charter to ensure that it meets best practice standards, complies with corporate governance principles and recommendations and meets the needs of CEHL and the Board.
- 9.2 Any modifications to or replacements of this Charter must be approved by the Board.