

Version Control

**Document Name: Policies and Procedures Manual
Section 5 — Governance, Planning & Risk Policy**

| | |
|---|--|
| Policy Amendment Details: Authorised by: Sheila Astolfi – CEO | Date adopted: 2003 |
| Reviewed by: Tony Peake & CFO | June 2010 |
| Policy Amendment Details : Update for amended Constitution, Board Protocol, Selection Criteria, Skills Matrix. 5.4 Notifiable Incidents to Registrar. Acknowledgement to Bridge Housing Limited. Prepared by : Daphne Wayland Endorsed by : Keith Gavin, David Bacon | Board Approved February 2013 |
| Policy Amendment Details : 5.5 Business Planning, Review & Development – update for strategic planning process, tender evaluation and response, partnership development. 5.6 Risk Management Policy – following risk management review by InConsult Pty Ltd | Board Approved February 2013 |
| Policy Amendment Details : 5.1 Update for amended Director Remuneration Policy and approvals. 5.2 Bi-annual review, update of legislative environment and minor amendments. Prepared by : Daphne Wayland Endorsed by : Keith Gavin, David Bacon | Board Approved November 2013 |
| Policy Amendment Details : Minor amendments 5.15 Board Evaluation & Training Prepared by : Daphne Wayland Endorsed by : Keith Gavin, David Bacon | Board Approved July 2014 |
| Policy Amendment Details : Minor amendments 5.11 Director Training Expenses, Board portal, contracts with directors Prepared by : Daphne Wayland Endorsed by : Keith Gavin, David Bacon | Board Approved March 2015 |
| Policy Amendment Details : 5.6 Risk Management Policy – biannual review Prepared by: Daphne Wayland Endorsed by: Keith Gavin Reviewed by: Risk & Audit Committee April 2015 | Board Approved May 2015 |
| Policy Amendment Details : Minor amendments 5.11 Director Training Expenses Prepared by : Daphne Wayland Endorsed by : Keith Gavin | Governance Cmttee Approved June 2015 Board Approved July 2015 |
| Policy Amendment Details : Bi-annual review of Code of Conduct Prepared by : Daphne Wayland Endorsed by : Keith Gavin | Board Approved Nov 2015 |

5.1 Governance Policy

5.1.1 Role of the Board

The role of the Board of Directors is to provide strategic guidance and effective oversight of management for Pacific Link Housing Ltd (PLH). The Board is the custodian of the mission statement and purposes of PLH and is accountable to members for the pursuit of those purposes and the performance of PLH.

5.1.2 Director Duties & Board Protocol

The Board must also ensure its accountability is fulfilled by addressing its corporate, legal, financial and audit responsibilities and be aware of the need to exercise reasonable care, skills and diligence in carrying out their duties.

The Directors must understand and be aware of:

- Their liabilities, obligations and protections under Company Law and other Federal, State legislation or common law, including :
 - Duty of Care
 - Duty to act in good faith for the benefit of the company as a whole
 - Duty to use their power for proper purposes and avoid conflict of interest.
- Workplace Health and Safety liabilities, obligations and protections under the Workplace Health and Safety Act 2011 and updates to the Act.
- Roles and responsibilities under relevant regulatory bodies' standards.
- The responsibilities and reporting requirements imposed by funding agreements with government or other agencies.
- The delegations of authority that exist within the Company and whether they are being exercised properly.

The duties and expectations of Directors, their rights and benefits are set out in the PLH Board Protocol (see Appendix). Newly elected and appointed Directors are required to sign the Protocol, the PLH Code of Ethical Conduct, Conflict of Interest Policy and Statement of Confidentiality.

5.1.3 Governance Principles & Board Responsibilities

In performing its role, the Board aspires to high governance standards. The Directors are expected to adhere to PLH's Governance Principles that are derived from the *ASX's Corporate Governance Council Principles of Good Corporate Governance*. Although PLH is not a listed entity, the PLH Board believes that this provides a robust framework for PLH's governance. This requires the Board to work as a team and meet on a regular basis. The eight Governance Principles and the Board's responsibilities within each are set out below:

| | |
|--|---|
| Principle 1 – Lay solid foundations for management and oversight | <ol style="list-style-type: none"> 1. Ensure the PLH Constitution reflects governance best practice (see Appendix). 2. Provide effective leadership and direction through development, monitoring and review of the PLH Mission Statement, Values and Objectives as outlined in the PLH Strategic Plan. |
|--|---|

| | |
|--|---|
| | <ol style="list-style-type: none"> 3. Setting parameters for development and diversification of the company's business. 4. Approve new policies and regular updates to policy. 5. Approve and annually review the PLH Instrument of Delegation (see Appendix). 6. Recruit and appoint the Chief Executive Officer, determine the objectives for the CEO and review performance. 7. Determine and review the Succession Plans for the Board, Chairman, CEO and senior management. |
| Principle 2 - Structure the board to add value | <ol style="list-style-type: none"> 1. Determine the structure and membership of committees and their terms of reference, and regularly review their effectiveness. 2. Conduct annual performance reviews of the Board, including review of the Board Skills Matrix (see Appendix). 3. Recruit new Directors with suitable skills and experience, according to the Selection Criteria (see Appendix). 4. Apply Directors' skills and experience to provide an independent perspective for operational management in decision-making and providing high quality, efficient and effective services. |
| Principle 3 - Act ethically and Responsibly ¹ | <ol style="list-style-type: none"> 1. Ensure PLH conducts its business to highest standards of honesty, integrity, respect and fairness. 2. Ensure PLH maintains the practices necessary for compliance with its legal obligations and the reasonable expectations of stakeholders. 3. Determine policy for: <ul style="list-style-type: none"> • Code of Ethical Conduct • Conflict of Interest Policy • Fraud and Corruption Policy • Tenant Rights Policy |
| Principle 4 - Safeguard integrity in financial reporting | <ol style="list-style-type: none"> 1. Approve the annual budget and monitor financial performance against the approved budget. 2. Ensure the financial statements present a true and fair view in all material respects of the company's financial position and operational results in accordance with relevant standards. 3. Approve and monitor major capital projects including property development, acquisition and disposal. 4. Approve financing and leveraging proposals and encumbrances on PLH assets. 5. Selecting, appointing and reviewing the external auditor to independently verify and safeguard the integrity of PLH's financial reporting. |

¹ ASX Principles 3rd Edition March 2014

| | |
|---|---|
| | 6. Maintain an Audit and Risk committee that meets at least four times a year ² . |
| Principle 5 - Make timely and balanced disclosure | <ol style="list-style-type: none"> 1. Approve the Annual Report to members within 5 months of the end of each financial year. 2. Ensure the provision of accurate information, clearly expressed in a timely manner to key stakeholders including tenants, employees, contractors, support partners and members. 3. Ensure timely and accurate notification of reportable matters to funding and registration bodies. 4. Ensure policies relating to tenants and contractors are effectively disclosed. |
| Principle 6 - Respect the rights of members | <ol style="list-style-type: none"> 1. Determine the tenant rights and participation policy. 2. Ensure clear communication of the PLH strategy and objectives to all stakeholders. 3. Encourage full participation of members through effective communication and engagement. |
| Principle 7- Recognise and manage risk | <ol style="list-style-type: none"> 1. Ensure PLH maintains a sound system of risk management and internal control. 2. Develop strategy and policy to identify, assess, monitor and manage risk and identify material change to the company's risk profile. |
| Principle 8- Remunerate fairly and responsibly | <ol style="list-style-type: none"> 1. Ensure PLH maintains remuneration and benefit policies to attract and retain qualified and motivated employees. 2. Review and recommend the remuneration for the CEO. 3. Recommend Directors' remuneration to members based on research of the not for profit sector. |

5.1.4 Chairman

At the first Board meeting after each Annual General Meeting of the Company, the Directors shall elect a Director as Chairman. The Chairman is accountable to the Board and ultimately to the members and tenants and must follow the directions and decisions of the Board as a whole.

The Chairman represents the Board to members of PLH and advocates, communicates and promotes the interests of PLH as a whole with members, tenants and other stakeholders.

The Chairman facilitates the effective contribution of all Directors and promotes constructive, professional and respectful relations between Directors and between the Board and management. In particular, the Chairman:

- Provides leadership to the Board enabling efficient organisation and conduct of the Board's processes;

² NSW Registrar Performance Requirement 4.1

- Manages the relationship between the CEO and the Board;
- Oversees the Board agenda and provision to Directors of timely, relevant information to assist them to be effective members who fully participate in Board activities;
- Manages the business of the Board by presiding over meetings, resolving differences between Directors and seeing that decisions are reached promptly;
- Recommends to the Board for consideration the membership, chair and functions of Board committees;
- Guides and promotes on-going effectiveness and development of the Board and individual Directors;
- Monitors Board performance and facilitates regular reviews by external experts; and
- Ensures adherence to the PLH Constitution in the conduct of the company's affairs.

5.1.5 Role of the Chief Executive Officer

The Chief Executive Officer (CEO) is appointed by the Board and is responsible for development of the strategic objectives for PLH and achievement of operational and budget results.

The management of the daily operations of the company is undertaken by the CEO, subject to the specified delegations of authority approved by the Board. Refer Appendix - Instrument of Delegation.

Responsibilities of the CEO include:

- Exercising leadership and executive stewardship of PLH resources in a transparent, sustainable, socially and environmentally responsible manner;
- Developing, proposing, executing and delivering the strategic objectives agreed with the Board;
- Reporting regularly to the Board with appropriate, timely and quality information so the Board can discharge its responsibilities effectively;
- Recommending to the Board significant operational changes and major capital expenditures where these are beyond delegated thresholds;
- Assigning responsibilities clearly to senior management and overseeing establishment of effective risk management and internal control systems;
- Recruiting, developing and retaining talented people to work in PLH and establishing a strong executive management team which is fairly and fully evaluated;
- Communicating throughout PLH the strategic objectives, vision and values and ensuring these are achieved in practice; and

- Representing, communicating and advocating on PLH's behalf to external stakeholders and the community.

5.1.6 Board Committees

The Board appoints Board Committees to assist the Board in particular areas. The Board may delegate responsibility to a Board Committee consistent with PLH Constitution through a Terms of Reference that is determined by the Board and reviewed every two years. The Chairman of a Committee is appointed by the Board and reports any matters of substance to the next Board meeting. A copy of all Committee minutes is provided to the Board for discussion and endorsement.

5.1.7 Company Secretary

At the first Board meeting after each Annual General Meeting of the Company, the Directors shall appoint a Company Secretary. The Company Secretary is responsible to the Board, through the Chairman, on all governance matters and supports the effectiveness of the Board by monitoring Board policy, ensuring procedures are followed and coordinating completion and dispatch of Board agendas and briefing papers. The Company Secretary prepares the minutes of the Board meetings in accordance with the Board Protocol (see Appendix) and maintains the membership register and regulatory records.

5.1.8 Board Appointments & Succession Plan

i. Objective

To ensure that the Board of Directors of Pacific Link is planning for the succession recruitment of future Board Members so that continuity of the Board is maintained, with a full complement of Board members and containing the required skill set to perform its duties in line with the Policy Manual, Constitution, Strategic Plan and Corporations Act.

This document aims to provide a framework from which the Chairman and Board of Directors can assess the requirement to succession plan, perform a skill sets analysis to identify weaknesses & needs and put in place a recruitment process that is equitable, professional and transparent.

ii. Method

The Chairman holds the ultimate responsibility to ensure that any pending vacancies of Board Members are known in advance and documented. Once a potential vacancy is pending the following process should be closely adhered to.

1. Skill Set/Experience Analysis: A review of current skills should be taken either from existing Directors/personnel file or a new analysis of the skills sets that each Board Member holds to identify what skills are missing and what skills will be lost when the Board Member vacancy occurs.

The main skills sets required for Pacific Link are outlined in the Board Skill Matrix, as reviewed by the Board from time to time (refer Appendix).

Once the skill set audit has been completed, the appropriate mix of skills and knowledge preferred in the new Board Member should be known and documented.

2. Nomination Period. The Company should use several recruitment processes simultaneously to ensure fairness, equity and transparency. This process may include

- Personal Nominations
- Network Nominations
- Recruitment through a specialised Recruitment Firm
- Advertising through local media.

3. Selection Process. Similar to a staff recruitment process, formal meetings with the Chairman and a second Director should be held with each short-listed applicant. Those meetings should be documented and incorporated in the particular recruitment file.

4. Reference Checking Stage. Again, similar to a staff recruitment process, a formal Reference Checking Stage should be undertaken by the Chairman.

5. Offer Stage. Any offer to become a Board member must be in writing from the Chairman and be ratified by the Board. The Board membership should only become effective upon completion of:

- Signed documentation as listed on the Induction Kit Checklist (refer Appendix), as updated from time to time, that includes
 - Conflict of Interest Declaration
 - Confidentiality Declaration
 - Director Application
 - Member Application
 - Board Protocol.
- Complete Board Minutes recording process and selection criteria being minuted.

5.1.9 Election of Directors

The term of Directors is three years. The Board comprises nine Directors that are divided into three groups with expiry of terms in alternate years as part of the Succession Plan. Directors are appointed at the Annual General Meeting (AGM) held in November each year.

Nominations for Directors are dealt with in accordance with the PLH Constitution.

5.1.10 Directors' Induction

The comprehensive 'Directors Induction Manual' will be made available to all new Directors following their election to the Board together with forms that are required to be completed and signed. Refer Appendix - Director Induction Kit Checklist. The CEO and Company Secretary will conduct the induction of all new Directors.

5.1.11 Directors' Remuneration and Expenses

1 Objective

To ensure that the Board of Directors of Pacific Link Housing Ltd (PLH) is fairly remunerated for the services provided and covered for any costs incurred.

In general terms Boards currently are more professional than ever before and companies are required to source Board Members with more qualifications, experience and specific skill sets than they have in the past. Board members also have an increased personal obligation and liability attached to their duties.

Due to the increased personal responsibilities and obligations attached to being a Director and the lost revenue that many Directors forego to provide their service to the Company, Pacific Link has decided (through a vote of the Members) to provide a Directors' Fee budget (pool) in each financial budget to cover Directors' remuneration.³

2 Method

As stipulated in the PLH Constitution, the Board will present to the Members annually an overall directors' remuneration budget for the total to be set aside in the company's annual financial budget.

If the Members approve the budget at the AGM or by other legally constituted means, this amount represents the upper limit that can be spent by the organisation during that financial period.

The Board decides how the budget is split between individual Directors and on what criteria it can be claimed. Currently, the Chairman's remuneration is set as twice that of an individual Director.

The Director Fees pool and budget must be clearly and comprehensively disclosed in the Company's

- Budgets
- Board Minutes
- Financial results issued annually, if required
- Monthly Board report.

The level of Directors' Fees budget must be demonstrated to be reasonable, and affordable in line with the operational size and results of the business.

The Directors' Fees budget should be reviewed in conjunction with other service providers in the industry or similar industries to ensure that the budget is reasonable and in line with market conditions. The Fees budget will be benchmarked against at least two independent surveys. These surveys will be identified by the Company Secretary and agreed with the Chairman. Adjustments to remuneration will be based on:

- The average level of Director remuneration for the NFP sector as identified by the surveys;
- The performance of the Company during the previous financial year in meeting its goals; and
- The annual assessment of the performance of the Board.

³ Properly incurred travel, accommodation and other expenses are budgeted separately and members' approval at AGM is not required (CI 46.4 Constitution)

Fees for Board Committee meetings are paid based on meeting attendance.⁴

The claiming of a Directors Fee is optional for all Directors. The claiming of the meeting fees and costs for other meetings is also optional.

Directors must make their own assessment on Income Tax, Pension, personal Superannuation Benefits and other possible implications claiming a Director's Fee may have on them and any other sources of income they have. Directors are encouraged to seek independent financial advice and the company will not be held liable for lost income or social services as a result of claiming a Director's Fee or any other payments made.

The budget of Directors' Fees is not accumulating each financial year. Directors' Fees, including Committee fees, are calculated inclusive of Superannuation Guarantee contributions. PAYG tax is deducted as appropriate. Fees and superannuation are paid on the first business day of each month.

Should the upper limit of the budget be reached during a Financial year then no further payments can be claimed and no further payments made over and above the budget amount. Any unpaid claims cannot be paid from the following financial year budget, i.e. No accrual of unpaid Directors' Fees is allowed.

No Board Member may claim the fee unless they have completed and signed the required forms, including Conflict of Interest, Directors' Protocol, Confidentiality Statement, Application and Nomination Forms and Commitment to Code of Ethical Conduct.

If a Director is an employee of another entity, such entity has notified the Company that it consents to the Director receiving such remuneration.

Directors' Fees will be paid by direct deposit. Fees can be paid to a company associated with the Director upon receipt of a tax invoice. Payments by cash will not be made.

3 Expense Reimbursement

In addition to the Director Fee budget, Directors will be paid or reimbursed for:-

- i. Any use of a private motor vehicle for PLH purposes, such reimbursement to be at the authorised tax rates; and
- ii. Legitimate, approved out of pocket expenses.

4 Director Training Expenses

In addition to the Director Fee budget, a Director Training budget will be set which may be applied as follows:

- i. Up to half allocated for whole of Board training as identified in the Board performance evaluation, or as otherwise necessary.
- ii. Up to half available for reimbursement of Directors' individual approved, relevant training and conference fees and expenses. This includes the AICD Company

⁴ Commencing from 1 July 2013.

- Directors Course (CDC) fees and expenses and other training identified in the Board performance evaluation or otherwise.
- iii. The amount of the training budget is reviewed annually, consistent with the Director remuneration review.
 - iv. The training budget does not accumulate from year to year.

Directors will be paid or reimbursed for:-

- i. The full cost of attendance (including travel and accommodation) at training courses, including the CDC. All new Directors are expected to complete the CDC, unless agreed otherwise with the Chairman. PLH will pay the AICD joining fee, however, Directors are responsible for their ongoing subscription fees and meeting CPD requirements.
- ii. Half (50%) of the cost of approved, relevant conference fees and accommodation and travel expenses to attend such conferences.
- iii. Travel expense reimbursement will be based on domestic economy rates for travel within Australia. The Board will consider requests for reimbursement of 50% of international travel at economy rates on a case by case basis.
- iv. The maximum entitlement to reimbursement for each Director over a three year period is the equivalent cost of the CDC course, or as approved by the Chairman within the training budget.
- v. Requests for reimbursement should be emailed to CEO and Chairman for approval.
- vi. Expenses for training courses and conferences in Australia may be approved by the Chairman and CEO. Board approval is required for reimbursement of international expenses.
- vii. The Company Secretary will maintain a register of directors' training and development that is relevant to their PLH duties.

Directors are encouraged to identify scholarships for training that is available for not-for-profit entities and PLH will provide administrative support for scholarship applications.

5 Summary

These fees do not attempt to compensate professional Directors for their potential lost income, lost due to time and resources dedicated to PLH.

These fees attempt to reimburse Directors for their efforts and to assist in attracting and keeping professionals from all appropriate areas (see Board Succession Planning) to the Board of PLH.

The fees are capped to the budget and set in line with market expectations, industry best practice and after consideration of the performance and financial position of the company.

5.1.12 Board meetings, Quorum & Decision-making

Meetings

The Board is required to meet as often as it is deemed necessary to ensure the business of the company is completed and must meet at least six (6) times a year⁵.

The Directors will be provided with a schedule of planned meetings each year.

Currently Directors meet on the third Thursday of each month in the Company offices. Committee meetings are held as required under their terms of reference.

Agenda and Reports

Directors are provided with the agenda and reports 7 days before each meeting in accordance with the Board Protocol.

Directors will have access to sufficient information to enable full and fair consideration of all issues, including financial statements, background and briefing papers, reports from management and expert consultants, relevant correspondence and other documentation when necessary.

Board Portal

To maintain information security, Directors are provided with electronic tablets and password-protected access to an electronic Board Portal. All Agendas and reports for Board and Committee meetings and reference material is distributed via the Portal. Directors acknowledge receipt of tablets and these remain the property of PLH.

Apologies

Where Directors are unable to attend a scheduled meeting of the Company, it is expected that directors will offer apologies as soon as practicable and, where circumstances allow, at least within 72 hours of the scheduled meeting time. Apologies should be made to the Chief Executive Officer or Company Secretary. Where such apologies have been received and the scheduled meeting will not achieve quorum, the meeting will be cancelled and re scheduled for seven [7] days after the original scheduled date. The Company Secretary will inform all Directors immediately.

Quorum

As required by the PLH Constitution, at least 50% of Directors must be present to represent a quorum.

Where at least two [2] Directors have convened for a scheduled meeting and a quorum has not been achieved, the meeting will commence. Any resolutions made by the present Directors are not binding until such time as the resolutions are ratified by the majority of Directors.

Where the present Directors do not consider that any resolution that requires ratification prior to the next scheduled meeting, the resolution will be referred to that meeting. Such matters will be dealt with at the next meeting as business arising from the meeting minutes.

Circular Resolutions

Where the present Directors of an inquorate meeting consider that any resolution requires immediate ratification, the Company Secretary will prepare a summary of any relevant discussion and the resolution and prepare a circular resolution via the Board Portal to all Directors. The Directors will return their vote to the Company Secretary as soon as practicable. For a circular resolution to be valid it must be ratified by all Directors and minuted at the next Board meeting.

Voting

⁵ Registrar of Community Housing Performance Requirement 4.1

A majority of present Directors must agree with any resolution or questions arising before it can be carried. In the case of equality of votes, the Chairman can have the casting vote.

5.1.13 Confidentiality

Directors will respect the confidentiality of information in the course of carrying out their duties, and will not discuss any personal information about staff, clients, members or Directors outside the company or inappropriately with anyone inside the company without their consent.

Directors will not have access to personal information about applicants or tenants.

Individual tenants or applicants reported to the Board e.g. [Rent arrears, tenant selection, allocation appeals] will not be identified.

All matters pertaining to the company's business is of a confidential nature and to be treated as such. This means that any personal information what so ever about the tenants, applicants or clients of the service to any person or persons outside of the company offices for whatever reason will not be divulged.

Board of Directors will respect the confidential nature of company business and will not divulge sensitive matters discussed in the Board room unless it is with other Directors, CEO, senior management or the Government funding body.

5.1.14 Contracts with Directors

Contracts for services with Directors in their private capacity are permitted by the PLH Constitution. Contract terms must be determined on an arms-length basis and approved by the Chairman, Chairman of Governance Committee and CEO. Contract terms must be approved by the Board. Normal processes for management of conflicts of interest will apply and the contracting Director will be asked to leave the Board meeting during discussion of the contract. The remuneration under an arms-length contract for service does not form part of the Director Remuneration budget. The contractor must be ABN-registered.

5.1.15 Compliance Obligations & Policy Development

Pacific Link will regularly report as required to relevant funding bodies, statutory authorities and other regulators, as required.

All new policy and updates to existing policy, following endorsement by the CEO, will be presented for Board approval. Acknowledgment of contributions to policy development will be noted.

Policy reviews will be conducted at least every two years, with reference to:

- public housing policies,
- funding body policies,
- Registrar of Community Housing evidence guidelines
- National Community Housing Standards,
- peak bodies,
- Tenant feedback,
- Community housing sector best practice, and
- Other legislation and regulations, as appropriate.

5.1.16 Board Evaluation & Training

As part of its commitment to good governance, the Board conducts an assessment of its own performance. An evaluation of the Board, its Committees and individual Directors including the Chairman will be performed annually. Every second year, this review is conducted by an external governance specialist and in alternate years internal reviews will co-ordinated by the Chairman or independent consultant as recommended to the Board by the Governance Committee.

Directors are encouraged to undertake continuing education to ensure they can maximise their contribution to the strategic direction and successful operation of the company. The Chairman will ensure that Directors are regularly updated with opportunities for training.

The structure of the review is as follows:

- i. All Directors will complete a short questionnaire and return it to the Company Secretary. The CEO and Company Secretary will also be asked to complete the questionnaire. Refer Appendix – Board Review Questionnaire.
- ii. Each Director will have an individual meeting with the Chairman. The response to the questionnaire will be a partial basis for the discussion. The CEO and Company Secretary will also be asked to participate.
- iii. The Chairman will prepare a report on these discussions, which will be agreed by both parties and included, along with the questionnaire results, on the Director's file.
- iv. The Chairman will prepare a de-identified report, summarising key issues to emerge from individual discussions, which will form the basis of a discussion by the Board. The report will also include an evaluation of the outcomes of recommendations from the previous year's external review and any training needs for Directors that have been identified.
- v. The Chairman's report and recommendations will be presented to the Board for adoption.
- vi. The review of the performance of the Chairman of the Board is facilitated by the Chairman of the Board Governance Committee who seeks input from each Director individually on the performance of the Chairman of the Board against the competencies for the Chairman's role outlined in the PLH Governance Policy. The Chairman of the Board Governance Committee collates the input in order to provide an overview report to the Board, as well as feedback to the Chairman of the Board.

The Board will determine and regularly review the composition of the Board having regard to the mix of skills and experience of individual Directors and relevance to the objectives in the PLH Strategic Plan. Refer Appendix – Board Skills Matrix.

5.2 Conflict of Interest, Gifts & Donations

Policy statement: Our commitment

Pacific Link is committed to ensuring that personal or individual interests that conflict with the interests of the organisation are identified and managed so that they do not affect the services, activities or decisions of the organisation.

Specifically, we will:

- record the Conflict of Interest (COI) in the central register maintained by the Company Secretary
- annually, prior to the AGM, request Directors to provide a declaration updating their disclosure on the Directors' Register of Interests
- update the register as required
- notify the Board of new information relating to any COI.

All newly elected Directors and all newly appointed employees will be required to complete a Conflict of Interest form. All current Directors and employees have to complete a new declaration form whenever a new potential conflict of interest arises.

An individual Director will not be involved in the decision-making process if the decision is related to the potential conflict of interest declared and the Chairman has determined that the conflict is material. Likewise, if material, a mitigation plan will be determined by the CEO, Company Secretary and relevant Manager for any employee declaring a COI.

Contractors are required to update their Conflict of Interest declarations on signing or renewal of maintenance service contracts.

5.2.1 Purpose

Why do we have a conflict of interest policy?

Actions and decisions taken at all levels in Pacific Link will be informed, objective and fair. A conflict of interest may affect the way a person acts, decisions they make, or the way they vote in group decisions. Conflicts of Interest need to be identified, and action taken, to ensure that personal or individual interests do not affect the organisation's services, activities or decisions.

Scope

This policy will apply to Directors, employees and contractors of Pacific Link.

5.2.1.1 Definition

This policy will apply to situations where the personal interests of an individual or group of individuals directly conflict with the best interests of the organisation, its members or clients, or where the decisions or actions of individuals may be influenced by their personal interests rather than those of the organisation.

This will include situations in which:

- close personal friends or family members are involved, such as decisions about employment, discipline or dismissal, service allocation or awarding of contracts.
- an individual or their close friends or family members may make a financial gain or gain some other form of advantage.

- an individual is involved with another organisation that is in a competitive relationship with our organisation and therefore may have access to our plans or financial information.
- an individual is bound by prior agreements or allegiances to other individuals or agencies that require them to act in the interests of that person or agency or to take a particular position on an issue.
- an individual receives a benefit from the organisation or from a third party associated with the organisation.
- an individual is housed by the organisation.
- an individual receives a benefit from a related service provider.

A public 'Conflict of Interest Register' will be in place for employees and Directors to declare any conflict of interest they may have in carrying out the work of the organisation.

This register will ensure that:

- All financial and personal interests and relationships connected to the work of the organisation are documented.
- no special treatment or favours are granted to Directors or employees or their relatives, contractors or friends because of their position in the organisation.
- no gratuities or personal gifts are received because of a person's position.
- No person participates in decisions where they may have a conflict of interest.

Friends or relatives of either Directors or employees shall not be precluded from access to housing. Allocation of housing to eligible applicants shall not be made or recommended by a person having an interest in the applicant. The allocation process must be documented as usual. The conflict of interest must be documented in the Conflict of Interest Register, if a friend or relative is housed by the organisation.

Directors are required by Corporations Law to declare **material personal interests** that may lead to an actual or perceived COI with their position as a director of PLH. These must be disclosed to the other directors, where **material** means "has the capacity to influence the director's vote".

5.2.1.2 Procedures

The Company Secretary will:

- update the COI register with employees' declarations annually.
- request Directors update the Directors Register of Interests annually prior to each AGM. Interests that must be disclosed are:
 - all other directorships of or executive positions held in Australian listed entities (details in relation to overseas entities' directorships not required)
 - directorships or memberships of or executive positions held in entities that may be relevant to the company (including shares in unlisted Australian companies, trusts)
 - all substantial shareholdings of 50% or more in other companies with which PLH transacts or in which it owns shares
 - other interests that may be relevant, eg another role of influence that may affect PLH's interests, or the interests of a director's spouse or other associate.
 - Contracts between PLH and an associated entity of a director, which are required to be disclosed as related party transactions in PLH financial statements.

Personal investments eg shareholdings in listed companies or interests in entities that are not relevant to PLH need not be disclosed.

Contractors are required to update their Conflict of Interest declarations on signing or renewal of maintenance service contracts and these are reviewed by the Asset Manager.

5.2.1.3 Registering known conflicts of interest (COI)

A register of conflicts of interest will be maintained by the Company Secretary. All potential and actual conflicts will be recorded in the register, showing:

- date COI advice received
- person involved in COI
- explanation of COI
- possible impact of COI
- file note of when Board informed of COI
- action taken (if any) following receipt of COI

5.2.1.4 Identifying and declaring conflicts of interest

All Directors and employees are required to declare any potential or actual conflicts of interest they are aware of by submitting a completed Conflict of Interest form to the CEO.

5.2.1.5 Managing conflicts of interest

Where an apparent conflict of interest arises, the organisation commits to recording it properly, notifying the Board, recording the initiatives recommended by the Board, carry out any directed investigations and documenting the results of investigations within a timely manner and in a transparent and professional manner.

5.2.2 Gifts or Benefits Policy

Purpose

The receipt of gifts or benefits by members of employees or Directors may be perceived by others as an inducement which could place a Director or employee under an obligation to the donor or associated parties. This also applies in the reverse.

The purpose of this policy is to protect the reputation of Directors, employees, the organisation, and by association, the community housing sector, from the deleterious effects of the inappropriate receipt or giving of gifts or benefits.

Scope

Gifts or benefits received or given by PLH, a Director or employee to an external party.

5.2.2.1 Examples of Gifts or Benefits

Gifts or benefits include monetary gifts, goods, services, discounted, favours or special consideration.

Examples include:

- Cash
- Free or discounted entry to events
- Free travel or travel concessions
- Access to holiday accommodation
- Free or discounted services provided by suppliers
- Free or discounted goods supplied by contractors.

5.2.2.2 Policy and Guidelines

This policy prohibits the receipt of gifts or benefits by Directors and employees

- In particular, Directors and employees must not:
 - (i) Solicit for private purposes any gift or benefit in connection with their official functions and duties
 - (ii) Accept any gift or benefit for any functions or duties, performed or not performed, which are part of their normal duties
 - (iii) Accept any offer of money in any form, e.g. cash, pay out of a loan.
- Directors and employees need to inform clients that they are prohibited from receiving gifts or benefits of any kind under the organisation's gifts or benefits policy.
- Where a Director or employee considers that the offer of a gift or benefit constitutes a bribe, they should terminate the transaction and report their concerns to the CEO or the Board immediately.
- Where PLH or a Director or employee is proposing to give a gift to an external party, consideration should be given to whether they may have a similar policy and how this may be perceived by the recipient and their associated parties.

5.2.2.3 Gifts of Nominal Value

In some circumstances, the receipt of tokens or gifts of nominal value may be accepted especially when the rejection of such gifts has the potential to cause upset or offence. These

gifts are usually mass produced, of little value and carry an organisation's logo. When accepting such a gift the recipient must advise the donor that the gift will be recorded in the organisation's Gifts or Benefits Register. PLH considers a gift or benefit with a value not exceeding \$50 as a token.

Example of such gifts include;

- Food
- Chocolates
- Sweets
- A bottle of wine
- Flowers.

5.2.2.4 Gift Register

PLH will maintain a Register of Gifts or Benefits. A record of all gifts or benefits received will be kept in this register and include (a) the date of the donation (b) the type and value of the gift (c) the donor's name, company (if applicable) and contact details and (d) notes explaining why the donation was accepted or declined.

The Register of Gifts or Benefits shall be monitored by the Board of Directors.

In some instances, gifts may be handed on to an appropriate charity or not-for-profit organisation when the disposal of a gift is considered more appropriate.

5.2.2.5 Complaints and Appeals

Any person who believes that there has been a breach of this policy can lodge a complaint in accordance with the procedures set out in the organisation's Fraud Control Policy.

5.2.2.6 Quality Assurance

Quality assurance measures should include the following:

- Ensure that all employees, Directors, contractors and suppliers are aware of the organisation's policy on gifts or benefits.
- All gifts or benefits to be recorded in the Register of Gifts or Benefits.

5.2.3 Donations Policy

Purpose

The purpose of this policy is to outline the process for accepting or declining donations. Donations can help Pacific Link Housing to fund its housing activities and services however the acceptance of a donation should not place the company's reputation for honesty, openness and integrity at risk or, by association, impugn the reputation of the community housing sector.

5.2.3.1 Scope

This policy applies to all donations received or fundraising undertaken by PLH regardless of the type of donor or amount involved unless otherwise stated in this document.

- The policy is to be applied to all new funding from existing donors and to all new donors.
- PLH is a registered charitable organisation and holds a charitable fundraising authority issued by the NSW Office of Liquor, Gaming & Racing.
- PLH's Constitution also stipulates that the company will maintain a Gift Fund (i) to which gifts or money or property are to be made and (ii) to which money received by the company is to be credited.

5.2.3.2 Policy and Guidelines

- It is PLH's policy to welcome funding from any donor, whether monetary or in kind, provided that acceptance does not (i) impair PLH's independence to pursue its mission (ii) place at risk its integrity and reputation or (iii) potentially damage the reputation of the community housing sector.
- If there is significant risk that receiving goods, services or funds from a particular source would impair, or be seen to impair PLH's independence or if there is a significant risk to PLH's reputation from public association with the donor, then donations from that source must not be accepted by the Board of Directors, individual Directors or employees.
- PLH can receive funding from corporations and donors from the private sector. Acceptance of a donation does not imply endorsement of the donor's policies, products or record. It is preferred that a potential corporate donor has made a public commitment to ethical standards. PLH may request a corporate donor to sign a commitment to integrity before accepting a donation from that company.
- PLH should not accept a donation from any individual, company or other agency that is found to have engaged in corruption.

5.2.3.3 Donations – Examples

Donations can include donations in kind (e.g. goods, services, discounted services, use of resources and staffing) and/or monetary donations.

Examples include money, gifts, free or discounted entry to events, travel, access to holiday accommodation, free or discounted use of staff resources, free or discounted services provided by contractors, free or discounted goods supplied by contractors.

5.2.3.4 Register of Donations

PLH shall keep a Register of Donations. The Register will record details of all donations including (a) the date of the donation (b) the type and value of the donation (c) the donor's name, company (if applicable), and contact details and (d) notes explaining why the donation was accepted or declined.

The Register of Donations shall be monitored by the Board and reported in the company's Annual Report.

5.2.3.5 Complaints and Appeals

It is the responsibility of the Board of Directors and employees to ensure that the company's independence and reputation are not placed at risk through the inappropriate acceptance of donations. The procedure below describes the steps which should be followed when a Board or employee considers the acceptance and/or source of funding to be inappropriate or a breach of policy.

1. If any Director or employee is concerned that there is a threat to PLH's independence or reputation from donations about to be accepted, that person(s) should draw this to the attention of the CEO or Chairman of the Board immediately.
2. If necessary, the CEO or Chairman will consult with the Risk and Audit Committee and seek its advice on whether to accept the offer from the donor.
3. Any person who believes there has been a breach of policy can lodge a complaint in accordance with the Fraud and Corruption Control Policy.

5.2.3.6 Quality Assurance

Quality assurance measures should include the following:

- Ensure that all Directors, employees, contractors and suppliers are aware of the company's policy on donations.
- Record all donations in the Register of Donations
- Ensure that the Board of Directors monitors donations and that all recorded donations are published in the company's Annual Report.

5.3 Code of Ethical Conduct

5.3.1 Purpose

To provide all employees with a framework outlining Pacific Link's organisational culture, and the values and attitudes that underpin this culture. Common undertaking of the basis of ethical, non-discriminatory and professional behaviour will facilitate successful outcomes and quality in all aspects of our work.

Pacific Link aims to meet the highest standards of management and to provide applicants and tenants with excellent housing services.

All new employees [paid and unpaid, permanent and temporary] and CEO are asked to read and sign the Commitment to the Code of Ethical Conduct (Appendix A). A signed copy is then placed on their personal file.

Directors' obligations to the governance and integrity of the organisation are different from those of employees and are documented in the Director Protocol and Code of Ethical Conduct. All new directors are required to sign this.

Pacific Link will undertake a review of the Code of Ethical Conduct at least every three years.

5.3.2 The Legal and Policy Framework

The legal and policy framework that Pacific Link operates within includes:

1. The law – including:
 - I. Landlord and tenancy legislation including the Residential Tenancies Act and Regulations 2010 (NSW).
 - II. Community housing legislation and policy including the Housing Act 2001 (NSW), Housing Regulation 2009, Community Housing Providers National Law, National Regulatory Code, government public and community housing policy.
 - III. Charities legislation, including the Charities Act 2013 (Cth), Australian Charities and Not-for-Profits Commission legislation and Charitable Fundraising Authority NSW legislation.
 - IV. General business legislation including corporations law, taxation, privacy legislation, anti-discrimination legislation, contract and fair trading law.
2. The philosophy, rules and policies of Pacific Link including:
 - I. Constitution
 - II. Mission statement, vision and objectives in our Strategic and Business Plans
 - III. Policies
 - IV. Minutes, office systems and procedures
 - V. Position descriptions, employment contracts, terms of appointment, performance agreements.
3. Good practice guidelines, codes and standards endorsed by the sector, including:
 - I. National Community Housing Standards
 - II. Peak body good practice guides.

5.3.3 Breaches of the Code of Ethical Conduct

Pacific Link will adopt the highest ethical standards and abide by all applicable legislation, including ensuring there is equality of opportunity and access to its services, employment and management and that privacy and confidentiality of personal information is maintained.

Breaches of the Code of Ethical Conduct will be investigated by Pacific Link management in accordance with the procedures outlined in paragraph 8.4.2 Investigations (Fraud Control Policy).

Code of Ethical Conduct

Professionals in the community housing sector are required to work to a code of ethics. This is fundamental because our work is with some of the most vulnerable and marginalised people in our society. The Pacific Link Housing Code of Ethical Conduct sets the benchmark for exemplary work practices in how we operate day to day and all employees, and contractors are required to demonstrate adherence to the Code in every aspect of their professional life.

Responsibilities to Clients

Confidentiality – respect privacy and treat all information concerning clients as confidential, except where the client gives permission for referrals or failure to disclose information would breach legal obligations.

Accountability – utilise all available skills, information and knowledge to provide clients with quality services and assist clients to maximise their opportunities, participation and personal development, while preserving clients’ dignity and autonomy.

Fairness, Courtesy and Respect – promote the well-being of all clients regardless of ethnicity, gender, beliefs, age, social status or other individual differences. Treat clients with honesty, dignity, sensitivity and a non-judgemental attitude.

Responsibilities to Colleagues

Respect and Honesty – respect the skills and abilities of colleagues and do the job with good humour and sensitivity.

Minimise Risks – follow workplace health and safety policy and safe work procedures to keep each other safe. Manage stress and seek help from colleagues or counsellors.

Accountability – provide loyalty and support, but report unprofessional or unethical conduct to managers.

Professionalism – refrain from any personal behaviour which may damage the profession, acting with honesty, diligence and transparency in decision-making.

Responsibility to Employer

Best Practice – strive to comply with and develop continuous improvement in the delivery of services and organisational management.

Customer Service – understand and implement PLH’s Customer Service & Expectations Charter to provide prompt, courteous, respectful and efficient service, while ensuring clients understand PLH’s expectations.

Acting in Best Interest – do not use position for inappropriate purpose. Declare actual and perceived conflicts of interest, comply with mitigation plans and gifts policy.

Competence – understand policy, procedures and law relevant to role. Seek clarification as needed and attend training.

Propriety – comply with policy, procedures, law and terms of employment and take steps to report and rectify breaches. Employ due care with company funds and assets and do not inappropriately use PLH resources or information.

Reputation – promote PLH aims and protect its reputation.

Responsibility to the Sector

Standards – maintain proper, professional standards of practice and uphold the code of ethics at all times.

Development – maintain standards of knowledge, skill and learning appropriate to professional development.

Promote – promote understanding of the role and skills of community housing providers.

Declaration & Commitment

I have read and understood the Pacific Link Code of Ethical Conduct and I agree to perform my duties in accordance with it. I understand that any breach of the Code will be taken very seriously and may lead to disciplinary action, including dismissal.

Signed: _____

Name: _____

Date: _____