Scope

This policy explains the guidelines and processes that are in place for the Board of Directors of Pacific Link Housing (PLH) and each of its wholly owned subsidiaries Key2 Realty Pty Ltd and Renew Projects Pty Ltd (PLH Group) t that together form the framework for the governance of the Group.

1. Role of the Board

The role of each Board of Directors is to provide strategic guidance and effective oversight of management for PLH Group. The Boards are the custodians of the mission statement and purposes of PLH Group and are accountable for the pursuit of those purposes and the performance of PLH Group.

2. Director Duties & Board Protocol

The Boards must ensure accountability is fulfilled by addressing 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 to act with reasonable care, skill and diligence
  - Duty to act in good faith for the benefit of the company as a whole
  - Duty to use their power for proper purposes and not improperly use information provided or their position, and
  - Duty to avoid conflict of interest and disclose and manage conflicts that arise.
- Australian Charities and Not for Profit Commission (ACNC) legislation and governance standards that apply to PLH Directors and their role as “Responsible Persons”. The governance standards are:
  1. Purposes and not-for-profit nature
  2. Accountability to members
  3. Compliance with Australian laws
  4. Suitability of Responsible People
  5. Duties of Responsible People
  6. Maintaining and enhancing public trust and confidence in the Australian not-for-profit sector
- Specific statutory obligations imposed on Directors regarding preventing insolvent trading, workplace health and safety, taxation and superannuation, environmental law and director identification requirements.
- 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 PLH Group and whether they are being exercised properly.

The duties and expectations of Directors, their rights and benefits are set out in the PLH Group Director Protocol and Code of Ethical Conduct that Directors are required to sign on joining and annually.

3. Governance Principles & Board Responsibilities

In performing its role, the PLH Board aspires to high governance standards that apply for registered charities. PLH Directors are expected to adhere to Governance Principles that are derived from the Australian Institute of Company Directors *(AICD) Not-For-Profit (NFP) Governance Principles.* which provide a robust framework for PLH's governance. This requires the Boards to work as a team and meet on a regular basis. The eight Governance Principles and the responsibilities within each are set out below:

AICD NFP Principle	Supporting Practices
Principle 1 – Purpose, Vision and Strategy – A core responsibility of an NFP board is to contribute to defining, documenting and realising the NFP's purpose, vision and strategy.	• The NFP's organisational purpose is understood by directors, employees and volunteers. • The board has a vision and strategy document setting out the next 3 – 5 years. • In developing the vision and strategy the board has considered the types, and levels, of risk the NFP is prepared to take on. • The board understands the resources, including employees and volunteers, that will be needed to achieve the strategic goals. • The NFP has used practical methods, such as the organisation's website, to communicate purpose, vision and strategy to employees, volunteers and other key stakeholders.
Principle 2 - Roles and Responsibilities – An NFP board should define and document roles and responsibilities as a foundational component of effective governance.	• The roles and responsibilities of the board encompassing governance, oversight, and strategic direction are documented. • Each board director understands their individual duties and obligations, consistent with relevant legal and regulatory frameworks. • The responsibilities of the management team are well understood and set out in position descriptions. • There are processes in place, such as training and induction, to ensure employees and volunteers are aware of their responsibilities, including legal requirements for working with vulnerable people. • The board has an understanding of key third party providers, including IT software and system providers. • The board receives the necessary reports aligned with the size and complexity of the NFP.
Principle 3 - Board Composition and effectiveness – The board should have an appropriate mix of people with a diverse set of skills,	• The board collectively represents the diversity of the community served by the NFP. • The board has the necessary skills, experiences, and perspectives on the board to effectively govern the NFP. • New directors are given sufficient support and education when joining the board and ongoing

experience, and backgrounds, that aligns with the NFP's purpose, vision and strategy.	directors are supported with regular learning and development. • The board meets at appropriate intervals, the papers are concise and insightful and the meetings are well led by the chair. • There is clear distinction between the oversight role of the Board and the management role of the CEO. • The board regularly formally reflects on the performance of the board and where improvements could be made.
Principle 4 - Risk Management – The board should oversee a risk culture that aligns with purpose, vision and strategy.	• The board regularly discusses the NFP's risk appetite and documents this in a concise risk appetite statement and supporting risk register. • The board has a risk management framework or policy that outlines the approach to identifying, assessing, and mitigating risk. • Practical risk controls are implemented that reflect the nature of the risk, the resourcing of the NFP, and the frontline employees or volunteers managing the risk. • The board receives reporting that allows it to have an informed view on how risk is being managed in the NFP. • The Finance Risk Audit Committee meets the external auditor at least annually.
Principle 5 – Performance and accountability – Directors should closely oversee the performance of the NFP with a focus on its financial health and whether it is effective in achieving its purpose.	• The board has a small set of targeted performance measures and indicators that assists in understanding and refining the NFP's performance. • The board is able to form a quantitative and qualitative view on the effectiveness and impact of the programs and services the NFP provides for clients and the wider community. • There are clear quantifiable goals and targets for the NFP's senior management that the board measures and reviews regularly. • There are mechanisms by which the board and senior management can listen to and understand the views of employees and volunteers, including surveys. • The board has a dynamic approach to public transparency that goes beyond regular reporting and the AGM, including regular communications and an accessible website.
Principle 6- Stakeholders – The board should consider stakeholder views as providing valuable insights into whether the NFP is achieving its	• The board has identified the NFP's key external stakeholders and understands the diverse interests and expectations of these stakeholders. • The NFP uses accessible communication methods to engage with these stakeholders, including meetings, surveys, newsletters and social media.

purpose, and as an early warning signal for key risks.	• The board reflects on the perspectives of stakeholders when making decisions and engaging with management. • The board regularly assesses the effectiveness of its stakeholder engagement practices and where things can be improved. • Directors have considered whether the board skills matrix and board appointment process should account for a specific stakeholder voice or lived experience.
Principle 7 – Sustainability– An NFP's purpose, vision and strategy should guide the organisation's approach to sustainability with the board overseeing a framework for evaluating the risks and opportunities related to sustainability.	• The board has prioritised particular sustainability considerations consistent with purpose, size, industry/sector, stakeholders and resources. • The board understands the environmental impact of the NFP's operations and has taken steps to minimise this impact where feasible. • The board and the executive have supported employees and volunteers with guidance and training on how to prioritise focus areas related to sustainability. • The board has indicators that enable it to track progress on key sustainability measures and can take action to improve if necessary.
Principle 8 – Organisational Culture – Directors should lead by example in modelling the organisational culture they expect of employees and volunteers.	• The board and CEO set a 'tone from the top' for the organisational culture that they expect to see at the NFP. • The NFP has a succinct and clear code of conduct that is shared and understood by employees, volunteers, and third party providers. • The board has documented policies that cover conflicts of interest, related party transactions and whistleblowers and takes action to improve if necessary. • The board understands the NFP's legal and compliance obligations and the organisational culture promotes compliance. • The board takes steps to recognise and reward employees and volunteers.

4. Chair

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

The Chair represents the PLH Board to members, communicates and promotes the interests of PLH as a whole with members, employees, tenants and other stakeholders. The PLH Chair and/or the Group CEO are the point of contact for, and the only roles authorised to respond to, media enquiries.

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

- Provides leadership to the Board enabling efficient organisation and conduct of the Board's processes;
- Manages the relationship between the Group CEO and the Board;
- Oversees the Board agenda and provision to Directors of timely, relevant information;
- 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. Role of the Group Chief Executive Officer

The Group Chief Executive Officer (Group CEO) is appointed by the Board and is responsible for development of the strategic objectives for PLH Group and achievement of operational and budget results. The management of the daily operations of the company is undertaken by the Group CEO, subject to the specified delegations of authority approved by the Board.

Responsibilities of the Group CEO include:

- Exercising leadership and executive stewardship of PLH Group 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 Group and establishing a strong executive management team which is fairly and fully evaluated;
- Communicating throughout PLH Group the strategic objectives, vision and values and ensuring these are achieved in practice; and
- Representing, communicating and advocating on PLH Group's behalf to external stakeholders and the community.

The Board, via the Chair, will provide regular and ongoing feedback to the Group CEO on performance, including the Board's expectations and will conduct an annual performance evaluation according to pre-determined KPIs.

6. Board Committees and Subsidiaries

The PLH Board appoints Directors to Board Committees. and may delegate responsibility to a Committee consistent with the PLH Constitution. Committee Terms of Reference are determined by the PLH Board and reviewed every three years.

Directors of subsidiaries are appointed in accordance with their company constitutions.

The appointed Chairs of Committees and subsidiaries report any matters of substance to the next PLH Board meeting. Committee and subsidiary minutes are provided to the PLH Board for discussion and endorsement. It is a NRSCH requirement that the Finance Risk Audit Committee meets four times each year.

7. Company Secretary

As required by the PLH Constitution, the Directors must appoint a Company Secretary. A Company Secretary may be appointed by the subsidiary boards in accordance with the respective company constitutions. The Company Secretary is responsible to the Boards on all governance matters and supports the effectiveness of the Boards by monitoring policy, ensuring procedures are followed and coordinating completion and dispatch of agendas and briefing papers. The Company Secretary prepares the minutes of the meetings in accordance with the Board Protocol and maintains the membership register and regulatory records.

8. Board Appointments & Succession Plan

i. Objective

Succession planning refers to taking a methodical approach to projecting the future skill and experience needs of the organisation and putting plans in place to meet them. The PLH Board will forecast when director vacancies will arise and identify and recruit suitable candidates with the required skill set to perform its duties and oversee implementation of the PLH Group Strategic Plan. Diverse boards send an important message about the values of an organisation. Diversity in personal attributes have been shown to contribute to improved organisational performance, increase staff retention and engagement, promote a better understanding of an organisation's stakeholders and drive innovation.

This policy aims to provide a framework from which the PLH Chair in conjunction with the subsidiary board chairs and PLH Board can assess the requirement to succession plan, perform a skill sets analysis, achieve diversity and put in place a recruitment process that is inclusive, equitable, professional and transparent.

ii. Method

The PLH Chair holds the ultimate responsibility to ensure that any pending vacancies of directors are planned for, generally through staggering board tenure. Generally, new director appointments will be made by the Board to fill a casual vacancy for ratification by members at the next Annual General Meeting, in accordance with the company's Constitution. Once a potential vacancy arises the following process should be closely adhered to.

1. Skill Set/Experience Analysis: To understand what skills are on the Board, address shortages and forecast future needs, the Board will quantify and record directors' skills and experience in a 'skills matrix' profile.

This analysis will identify what skills are needed and what skills will be lost when the Director vacancy occurs. The main skills sets required for PLH Group are outlined in the Board Skill Matrix in the context of the company's purpose and strategy, as reviewed by the Board from time to time.

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

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

- Personal Nominations
- Network Nominations
- Recruitment through a specialised Recruitment Firm
- Advertising through recruitment platforms or the AICD.

3. Selection Process. Similar to a staff recruitment process, formal interviews with the Chair and the Chair of the Governance Committee, and other Directors as determined by the Board, should be held with each short-listed applicant. The outcomes of interviews should be documented and circulated to the Board, together with recommendations.

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

5. Offer Stage. Following confirmation of satisfactory references and approval from the Board, the Chair will make an offer to become a Director in writing. The Director appointment will only become effective upon completion of:

- Signed documentation as listed on the Induction Kit Checklist, as updated from time to time, that includes
    - Conflict of Interest Declaration
    - Confidentiality Declaration
    - Director Application and Consent to Act
    - Member Application
    - Board Protocol and Code of Conduct
    - Director Identification Number.
- Board Minutes recording the process and selection criteria being minuted.

9. Election of Directors

As stipulated in PLH's Constitution, the term of Directors is three years. The Board may comprise up to nine Directors. Directors' terms and the dates of expiry of terms are monitored as part of the Succession Plan. Director nominations, appointments and members approval of extension of terms are conducted in accordance with the PLH Constitution.

10. Directors' Induction

The comprehensive 'Directors Induction Manual' is made available to all new Directors following their election to the Board together with forms that are required to be completed and signed. The Chair, Group CEO and Company Secretary conduct the induction of all new Directors.

11. Board meetings, Quorum & Decision-making

Meetings

The PLH 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 year[1]. The Key2 Realty Board is required to meet at least 4 times each year. [2] The Renew Projects Board aims to meet at least 4 times each year.

The Directors will be provided with a schedule of planned meetings each year that includes a calendar of various governance and regulatory obligations.

Currently Directors generally meet on the third Thursday of each month in the Company offices. Committee meetings are held as required under their terms of reference. Attendance at meetings in person by directors is preferred, but meetings may be attended online by prior arrangement with the Chair and Company Secretary. Attendance records by individual directors are disclosed in the Directors' Report of the company's annual financial statements.

Agenda and Reports

As far as possible, Directors are provided with the agenda and reports 7 days before each meeting in accordance with the PLH Group 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 password-protected access to an online Board Portal. All Agendas and reports for Board, subsidiary and Committee meetings and reference material is distributed via the Portal.

Apologies

Where Directors are unable to attend a scheduled meeting, 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 relevant meeting Chair, Group CEO or Company Secretary. Where such apologies have been received and the scheduled meeting will not achieve quorum, the meeting will be cancelled and rescheduled. 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 at a PLH Board meeting. For Key2 Realty and Renew Projects the quorum is 2 directors.

Circular Resolutions

Where an urgent Board resolution is required, the Company Secretary will issue 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

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 at a PLH Board meeting, the PLH Chair can have the casting vote. Voting at subsidiary board meetings is managed in accordance with their respective constitutions.

[1] NRSCH Registrar of Community Housing Performance Requirement 4.1
[2] NRSCH Registrar of Community Housing Performance Requirement 4.1

12. Confidentiality

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

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

Individual tenant or applicant information reported to the Board e.g. [rent arrears, tenant selection, allocation appeals] will be de-identified.

13. 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 Chair, Chair of Governance Committee and Group CEO. Contract terms must be approved by the PLH 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.

14. Compliance Obligations & Policy Development

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

All new policy and updates to existing policy require approval by the Group CEO. Designated policies on governance and strategic matters will be presented for approval by the relevant board at least every three years. Policies on operational matters will be reviewed at least every four years for Group CEO approval. The Group CEO will refer any contentious policy matters to the Board, as required. Policy reviews will be conducted to reflect changed circumstances, with reference to:

- public housing policies,
- funding body policies,
- NRSCH 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.

15. Board Evaluation & Training

As part of its commitment to good governance and continuous improvement, the PLH, Key2 Realty and Renew Projects Boards conduct assessment of their performance. The NRSCH Registrar of Community Housing requires that this be conducted at a minimum every three years or after significant change. An evaluation of the Board, its Committees and the Chair will be performed every two years, by an external governance specialist. In alternate years directors will be asked to participate in individual performance reviews that will be co-ordinated by the Chair or an independent consultant as necessary and as recommended to the PLH Board by the Governance Committee. Evaluations will include Directors' performance in relation to subsidiaries and Committees.

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

The structure of the reviews will generally include questionnaires to be completed confidentially by each Director. The Group CEO and Company Secretary will also be asked to provide feedback. Where required, the Board Chair and Chair of the Governance Committee or consultant may conduct individual meetings with Directors. On completion of gathering feedback, including the annual employee survey, a report summarising key issues will be provided to the PLH Board for consideration and discussion.

i. The report will also include and any training needs for Directors that have been identified.
ii. The review will include feedback on the performance of the Chair of the PLH Board which is facilitated by the Chair of the Board Governance Committee who seeks input from each Director individually on the performance of the Board Chair against the competencies for the Chair's role outlined in the PLH Group Governance Policy. The Chair of the Governance Committee collates the input in order to provide an overview report to the Board, as well as feedback to the Board Chair.

Related Policies

CP23 Director Remuneration and Expenses Policy
CP48 Conflict of Interest Policy
CP51D Group Director Protocol & Code of Ethical Conduct Policy

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