

# Corporate Governance

This Policy sets out the principle features of corporate governance for St George Community Housing and its subsidiaries (SGCH Group). The SGCH Group is committed to exceptional corporate governance that ensures accountability to members, customers, the communities in which we work, employees and other stakeholders for the long-term success of SGCH Group.

The purpose of this policy is to encompass the mechanisms by which the companies in the SGCH Group are governed.

## 1. The Role of the Board

A Board of Directors is responsible for the corporate governance of each entity of the SGCH Group.

The Board of each SGCH Group entity undertakes its role with the objective of ensuring the long-term success of the entity and the SGCH Group for the benefit of customers, the communities in which we work, and other stakeholders.

The Board continuously instils and reinforces a culture across the organisation of acting lawfully, ethically and in a socially responsible manner.

## 2. Delegation to Management

The constitution of each entity in the SGCH Group vests responsibility for managing the Company's business and affairs to the respective Board. Each Board has specifically reserved some matters for its decision and delegates authority for all other matters that are necessary for the day-to-day management of the SGCH Group's business to management through the CEO.

- 2.1 Authority limits for senior management are approved by the Board from time to time principally through the Delegation Policy.
- 2.2 The CEO is accountable to the Board for all authority delegated to management and SGCH Group's performance and is to discharge this accountability through the provision of management reports and presentations to the Board on a regular basis.

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### 3. Committees

The Board may establish Committees as it considers appropriate to assist it in executing its functions.

- 3.1 The Board will appoint or revoke the appointment of Committee members. The Board will appoint the Chair of each Committee who shall not be the Group Chair of the Board (with the exception of the People and Culture Committee), from each Committee's members.
- 3.2 The Board will review annually the composition of each Committee to ensure each Committee has an appropriate balance of skills and experience.
- 3.3 The Board will adopt a charter for each Committee, setting out the responsibilities delegated by the Board to the Committee and the Committee's structure and operation.
- 3.4 The role of a Committee is to operate within the terms of its charter and to make recommendations to the Board for decision.
- 3.5 The permanent Committees of the Board are:
  - 3.5.1 Audit and Risk Committee;
  - 3.5.2 Development and Construction Committee;
  - 3.5.3 People and Culture Committee;
  - 3.5.4 Work Health, Safety and Environment Committee.
- 3.6 The Charter of each permanent committee is appended to this policy.

### 4. Conduct of the Board

In giving effect to this Policy, the Board will at all times act honestly, fairly, diligently and in accordance with the relevant Constitution of the SGCH Group and the law.

- 4.1 Directors are required to comply with their legal obligations in relation to disclosing and managing conflicts of interest.
- 4.2 Each Director is expected to observe the highest standards of corporate governance and act in a manner consistent with the SGCH's Core Values and Code of Conduct.

From time to time, matters will be conducted between entities of the SGCH Group. To ensure appropriate governance and management of conflicts of interest the Group Chair will consider how to manage matters, which may include asking some Directors to abstain from decision making on behalf of one or more SGCH Group entities.

## 5. Matters reserved to the Board

The Board has reserved the following responsibilities for its decision:

| <b>Stakeholder</b> | <b>Responsibility</b>  |
|--------------------|--|
| Members            | <ul style="list-style-type: none"><li>• approval of business strategy and vision</li><li>• overall resource allocation to implement strategy and monitoring of the implementation of strategy through approval of budgets</li><li>• approval and monitoring of major investments or divestitures and strategic commitments</li><li>• approval and monitoring of capital structure</li><li>• approval and monitoring of financial reporting</li><li>• oversight of risk management, internal control and compliance systems including policies reserved to the Board</li><li>• appointment or removal of external auditors, and determination of the remuneration and terms of appointment of the auditors</li><li>• oversight of regulatory and contractual compliance and reporting</li></ul> |
| Customers          | <ul style="list-style-type: none"><li>• approval of customer service standards (SGCH Promise)</li><li>• approval of the SGCH Group's Customer Service Charter</li><li>• oversight of overall customer service including approval and monitoring of performance benchmarks and customer feedback</li><li>• having regard to the views and interests of customers in Board decision making</li></ul>   |
| Employees          | <ul style="list-style-type: none"><li>• recruitment of the CEO</li><li>• review of CEO performance</li><li>• review and approval of CEO contractual arrangements, remuneration and benefits</li><li>• oversight of succession planning for the CEO, Executive Management Team and such other executives as the Board may determine</li></ul>   |

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| Community and other stakeholders | <ul style="list-style-type: none"> <li>oversight of the management of social, economic and environmental objectives consistent with the delivery of sustainable outcomes for stakeholders</li> <li>approval and monitoring of performance benchmarks and community feedback</li> <li>reinforcement of reputation, brand and community relations</li> </ul> |
| Directors                        | <ul style="list-style-type: none"> <li>review of the size and composition of the Board</li> <li>Director nomination, selection, removal, succession planning and remuneration</li> <li>review of Board performance</li> </ul>  |

## 6. Group Chair

The Directors will appoint a Director as Group Chair of the Board and a Director as Deputy Group Chair of the Board.

- 6.1 Where the Group Chair is absent from a Board meeting, the Group Chair for the meeting will be the Deputy Group Chair unless the Deputy Group Chair is also absent in which case the Group Chair for the meeting will be appointed by the present members of the Board.
- 6.2 The principal role of the Group Chair is to provide leadership to the Board and ensure that the Board works effectively and discharges its responsibilities.
- 6.3 The Group Chair will serve as the primary link between the Board and management. The Group Chair will work with the CEO and Company Secretary to set the agenda for each Board meeting and is responsible for ensuring that all Directors are adequately briefed in relation to issues addressed at Board meetings.

## 7. Company Secretary

The appointment and, where appropriate, removal of the Company Secretary is ratified by the Board.

- 7.1 The Company Secretary will report to the CEO or a delegate of the CEO and is also accountable to the Board, through the Group Chair, for monitoring and enhancing corporate governance processes and ensuring that the principles and procedures of the Board are followed.
- 7.2 All Directors will have direct access to the Company Secretary.

## 8. Customer voice in decision making

Customer voice means the inclusion of customers perspective, feedback and consideration of impacts on the customer in decisions.

- 8.1 Directors are committed to ensuring the customer voice is considered during any decision making at SGCH.
- 8.2 Directors commit, where able, to attend customer events to interact with customers and solicit direct feedback on SGCH's performance.
- 8.3 To further assist Directors in ensuring this standard is consistently achieved, the following mechanisms have been adopted:

| What                                | Description  |
|-------------------------------------|--|
| Customer Service Charter            | The Board approves the Customer Service Charter.<br>All customers of SGCH (applicants, tenants, residents) have rights set out in our <a href="#">Customer Service Charter</a> which includes rights to provide feedback   |
| Tenant Member of SGCH               | The Board is accountable to members and shall transparently report on matters at meetings with members.<br><br>The SGCH Constitution provides that each person who is a Current Tenant of SGCH may apply and be granted membership of SGCH. Tenant sign up packs include membership application information.   |
| Customer Service data               | The Board will approve and monitor customer service benchmarks and reporting.  |
| Compliments, Complaints and Appeals | The Board will receive and consider quarterly customer feedback reports summarising compliments, complaints and appeals received and managements analysis of trends or key issues.   |
| Tenant Coordination Panel           | This is a formal tenant group that provides a mechanism for customer feedback and involvement. Directors will meet with the Panel from time to time and at least annually the panel will be invited to table a report to the Board: <ul style="list-style-type: none"><li>• Summarising issues for tenants</li><li>• Commenting on customer experience</li></ul> |

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|  | <ul style="list-style-type: none"> <li>• Providing an overview of the top issues that customers believe the Board should consider</li> </ul> <p>The Board will invite representatives from the Tenant Coordination Panel to attend a Board meeting to present and discuss the report.</p> |
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## 9. Meetings of the Board and Committees

The Board will meet in accordance with the Constitutions of each SGCH Group entity, and requirements of the Registrar for Community Housing.

- 9.1 Directors will use all reasonable efforts to attend each meeting of the Board and Committees of which they are members
- 9.2 Board and Committee papers will be circulated electronically to Directors prior to each Board and Committee meeting, typically no less than seven days before the meeting. Directors are expected to undertake adequate preparation to discharge their legal obligations and permit their effective contribution at each meeting.
- 9.3 At each Board meeting, Directors will be given the opportunity to meet without management present.
- 9.4 Minutes will be produced for the review of the Group Chair within five business days and approved by the Group Chair within a subsequent five business days. Once approved by the Group Chair, minutes will be circulated to Directors and then formally presented to Directors for approval at the next Board meeting.

## 10. Access to Independent Advice

Each Director may seek external, independent, professional advice at the expense of the SGCH Group. It is expected that a Director will consult the Group Chair, CEO or Company Secretary before obtaining external advice. The policy of the Board is that external advice will be made available to all Directors, unless the Group Chair agrees otherwise.

## 11. Board Performance

The Board is committed to reviewing and managing its own performance.

- 11.1 At the conclusion of each Board Meeting Directors will reflect on the performance of the Board at the meeting.

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- 11.2 Annually the Group Chair will have a performance review discussion with each Director to give feedback on their contribution and performance as it relates to the effective governance of SGCH (or in the case of the Group Chair the Deputy Group Chair will provide feedback).
- 11.3 Every two years a survey of each Directors performance shall be undertaken and the results provided to the Group Chair and the Director (or in the case of the Group Chair to the Deputy Group Chair). The process of conducting reviews includes an assessment by each of the Directors and may cover matters such as Board contribution and performance, interaction between management and between Board members, consideration of relevant skills and structure and conduct during Board meetings. The review process generates recommendations so that the Board continues to operate effectively with the requisite mix of skills and experience, and appropriate procedures
- 11.4 Every three years the Board will conduct an external review of the performance of the Board and each Director as required by the Registrar of Community Housing. This external review process may typically include interviews with Directors and senior management as well as key stakeholders and generate recommendations so that the Board can continue to operate effectively with the requisite mix of skills and experience, and appropriate procedures. Following consideration of recommendations Directors will report to Members at the next AGM what actions have been committed.
- 11.5 The Company Secretary shall assist the Group Chair in scheduling these reviews and will record their completion.

## 12. Re-election and Term Limits

At each Annual General Meeting, a sufficient number of Directors (being approximately one-third of the Directors each year) shall retire in rotation to ensure that each Director serves a term not exceeding three years.

- 12.1 Prior to standing, each director undergoes a performance evaluation which is considered by the Board in making a recommendation in respect to re-election. Members will be provided with a summary of the Board's recommendation and the reasons for it.
- 12.2 Unless otherwise resolved by the Board, no Director shall be renominated for election if they have completed nine years of service (typically comprising three terms). In considering renominations, the Board shall have regard to orderly succession such that no more than approximately one third of Directors are retiring in any given year.

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### 13. Board Composition and Recruitment

The Board of each SGCH Group entity will be constituted in accordance with the Constitutions of each entity. The aim is to have each Board comprised of Directors with an appropriate mix and balance of skills, expertise, experience, diversity and independence.

The People and Culture Committee is responsible for the recommendations to the Board in respect to the appointment of new Directors. The process of selecting a new Director involves reviewing the experience of current Directors, identifying any gaps in the Board skill-sets and experience, and at the election of the Board, may involve commissioning a recruitment firm to identify and present appropriate candidates following a comprehensive briefing as to the Board's requirements.

The Constitution of each SGCH entity requires that Directors be a Qualified Person which means an individual having, as decided by the Board of Directors, expertise and experience in one or more of the following areas, namely:

- social housing management;
- finance;
- community welfare;
- housing development and procurement;
- law;
- social policy development;
- accounting;
- asset management;
- information and technology;
- human resources management; and
- such other areas as are determined necessary, from time to time, by the Board for the furtherance of the Company's Object.

The People and Culture Committee will recommend to the Board for endorsement of candidates as Qualified Persons. The People and Culture Committee shall have regard to a number of factors when considering candidates including technical skills and expertise, experience across relevant industries and diversity of background.

This will include:

- Technical skills and expertise – The Committee shall update a skills matrix and assess gaps to prioritise recruitment. The Committee shall consider how the candidates' technical skills and expertise complement the skills and expertise of other SGCH Directors and address priority areas.

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- Independence – Does the candidate have independence from conflicts or perceptions of conflicts? This may include consideration of current or past interests such as whether a person has been employed by the SGCH Group, works for a current or potential major business partner or competitor.
  - Gender diversity – The SGCH Group is committed to gender equality and recognises the benefits of diversity on the Board. SGCH will target a 40:40:20 gender mix on each Board, meaning that at any one time there is no less than 40% female Directors, 40% male Directors, and 20% of Director positions that may be filled by either a male or female Director.
  - Tenant Directors - The St George Community Housing Limited constitution provides for the appointment of up to 2 Tenant Directors. As Board recruitment is skills based, Tenant Members with appropriate skills will be encouraged to apply for vacancies where there are, or will be, less than 2 Directors who are Tenants.
  - Candidates considered by the People and Culture Committee as appropriate Qualified Persons will be presented to the Board for consideration for appointment. New Directors must stand for election at the Annual General Meeting immediately following their appointment. The Board will provide a statement to Members summarising why a candidate is supported or not supported for election.

The Company Secretary shall support the Group Chair and Chair of the People and Culture Committee in the processes of review of board composition and recruitment.

## 14. Induction, continuing education and access to information

- 14.1 New Directors will be provided with a letter of appointment which sets out their rights, duties and responsibilities.
- 14.2 New Directors will participate in an induction programme involving comprehensive briefings from management on SGCH Group and key issues and site visits.
- 14.3 Briefings will be provided to Directors at each Board meeting. In addition, each Director is expected to participate in continuing education programmes conducted for Directors, involving regular briefings by internal and external specialists on matters relevant to their role as Directors and key business and industry developments. The Group Chair will encourage participation of individual Directors in continuing education programmes.
- 14.4 All Directors will have access to information and members of management as required to fulfil their responsibilities and may make direct requests for information or briefings on specific matters through the Group Chair, CEO, or Company Secretary.

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## Related laws, regulations and standards

- [Corporations Act 2001 \(Cth\)](#)

## Policy Information

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