

## COMMUNITY RESOURCES LTD: BOARD CHARTER

### 1. PURPOSE OF CHARTER

- 1.1. The Board Charter sets out the role, composition and responsibilities of the Board of Directors ('the Board') of Community Resources Limited ('CR')
- 1.2. The conduct of the Board is also governed by the Constitution of Community Resources a copy of which is located at (website). A number of operational matters relating to the Board such as number of meetings per year, notification of interests, and election of directors are governed by the Constitution and are not reproduced here.

### 2. ROLE AND RESPONSIBILITIES OF THE BOARD

- 2.1 The role of the Board is to provide leadership and strategic guidance for CR in addition to overseeing management's implementation of CR's strategic initiatives. In performing its role, the Board aspires to excellence in governance standards.
- 2.2 This requires the Board to work as a team and meet on a regular basis.
- 2.3 The key responsibilities of the Board are as follows:
  - a) Ensuring that there is a clear and shared commitment among directors and between the board and management with respect to CR's vision, mission, values, and nature
  - b) Confirming Community Resources' desired culture, ensuring there is board and CEO agreement on that desired culture, and confirming what cultural indicators the organisation should use and be monitored to ensure that the desired culture is being lived.
  - c) Setting and agreeing, and periodically reviewing with the CEO the principles on which the board and management relationship is based and mutual expectations from this relationship.
  - d) Periodically reviewing and approving the strategic direction of CR and significant strategic initiatives in actionable strategies that have key performance indicators.
  - e) Approving CR's annual targets and financial statements and monitoring financial performance against forecast and prior periods.
  - f) Approving the CR Risk Management Strategy and monitoring the effectiveness of risk management by CR management, including satisfying itself through regular reporting and oversight that appropriate internal control mechanisms are in place and are being implemented in accordance with regulatory requirements.
  - g) Assessing and determining whether to accept risks beyond the approval discretion provided to management.
  - h) Maintaining an ongoing dialogue with CR's auditors and, where appropriate, principal regulators, to provide reasonable assurance of compliance with all regulatory requirements.

- i) Considering the social, ethical and environmental impact of CR's activities, setting standards and monitoring compliance with CR's sustainability policies and practices.
- j) Selecting, appointing and terminating the external auditor, after receiving recommendations from the Compliance Audit Risk and Finance Committee ('CARF')
- k) Overseeing the Board's CARF Committee's evaluation of auditor's performance and ongoing independence.
- l) Selecting, appointing and determining terms of appointment of the Chief Executive Officer (CEO), Deputy CEO (if any), and Company Secretary.
- m) Determining the corporate goals and objectives relevant to the remuneration of the CEO and evaluating the performance of the CEO considering these objectives.
- n) Reviewing succession plans for the CEO and Executives.
- o) Approving individual remuneration levels for Group Executives, other executives who report directly to the CEO and any other person the Board determines, to ensure that the performance and remuneration framework for the CEO and throughout the organisation is aligned to the delivery of strategy and the desired culture being implemented
- p) Approving the appointment of Executives and monitoring the performance of senior management. The CEO will consult with the Board prior to the appointment of positions (and any successors in title) deemed by the Board to have a special advisory relationship to the Board, including:
  - Chief Financial Officer (or equivalent)
  - Company Secretary
  - Legal Counsel
  - Chief Risk Officer (should such an appointment be necessary).
- q) Ensuring that there is an appropriate suite of governance policies in place for CR, ensuring that the CEO is aligned with expectations and appropriately resourced to implement the governance policies throughout the organisation.
- r) Considering and approving CR's Remuneration Policy.
- s) Providing oversight and monitoring of Workplace, Health and Safety (WHS) issues in CR and considering appropriate WHS reports and information.
- t) Providing oversight and monitoring of cultural competence issues in CR and considering appropriate reports and information on the matter.
- u) Determining an annual work plan for itself, and at the end of the period, reviewing progress made and achievements against the plan
- v) Considering and approving the annual work plans submitted by Committees of the Board, outlining how the committee will deliver on its responsibilities (and reviewing reports on delivery of the plan at the end of the year)
- w) Developing and periodically reviewing a director position description outlining the role of and expectations placed by CR on a director.
- x) Devising with management a documented proactive stakeholder engagement strategy and plan (including periodic reporting) and confirming the role of the board collectively and directors individually in stakeholder engagement, ensuring that stakeholder input and feedback is factored into the strategic planning process

### 3. INDIVIDUAL DIRECTOR'S RESPONSIBILITIES

- 3.1 The responsibilities of individual directors are to:
- Act in good faith and in the best interests of CR.
  - Act in compliance with relevant Commonwealth and State laws,
  - Not improperly use their position or misuse CR's information.
  - Declare any conflict of interest.
  - Act with care and diligence, and
  - Not allow CR to operate while it is insolvent

### 4. BOARD INDUCTION

- 4.1 As soon as practicable after appointment the Company Secretary or nominated staff member, in consultation with the co-Chairs, should arrange an induction session with each new director, outlining:
- their role, duties and obligations as a board director
  - the laws and policies that apply to them, and any specific laws or regulations that apply to CR and its operating divisions
  - an overview of CR's mission and purpose, and its 'strategy on a page'
  - a summary briefing on its current financial position
  - CR's functions, operations and context
  - a briefing from the co-Chair(s), such as a one-on-one meeting (see below)
- 4.2 The above should be summarised in an information kit, such as a slide deck or PDF, and the process should include:
- Meeting with Board Chair(s) (covering Governance processes, meeting structures, expectations, induction process, Board charter, reviewing Board papers)
  - Meeting with CEO, Executive and key staff (Overview of operations, key policies, site tours, decision making processes of the various business units, how business cases are developed and presented to Board, insurance cover, Risk management framework)
  - Meeting with Chairs of Board Committees (Terms of reference, overview and workplan, current issues)
- 4.3 The presentation of an up-to-date Induction Manual, which should include the following:
- Vision and Mission, Strategic Priorities, History, Philosophy and Values
  - Constitution
  - Board charter and policies
  - Contact details for CEO, Company Secretary and Directors
  - Organisation chart
  - Strategic Plan
  - Risk management framework and plan
  - Annual report
  - Relevant financial documents including copy of last two sets of audited accounts

- Annual Board workplan
- Summary details of Insurance policies
- List of key governing legislation
- Board minutes for last three meetings

## 5. ROLE AND DELEGATION TO MANAGEMENT

- 5.1 In consultation with the Board, the CEO is responsible for the development of strategic objectives for the business
- 5.2 The CEO is responsible for the achievement of the planned results for CR.
- 5.3 Management of CR's day to day operations is undertaken by the CEO, subject to specified delegations of authority approved by the Board.
- 5.4 Any matters or transactions outside the delegations of authority must be referred to the CR Board for approval

## 6. BOARD SIZE, COMPOSITION AND SKILLS

- 6.1 The size of the Board will be determined in accordance with CR's Constitution.
- 6.2 The Board is responsible for:
- identifying and evaluating possible future Directors to the CR Board.
  - appointing Directors to fill casual vacancies on the CR Board.
  - making recommendations to CR's members for the appointment or removal of Directors.
- 6.3 Subject to the requirements of the Constitution regarding term limits, the Board will determine a clear succession timeline, and
- 6.4 at least biennially, the Board should
- consider and document its ideal board composition (skills, experience and diversity) in light of the strategic plan and the requirements of the business at that point in time
  - use that matrix to conduct a search for appropriately qualified directors to fill the identified gaps
  - consider how the skills and experience of directors might be better leveraged by CR.
- 6.5 Collectively, the Board members should have a broad range of financial, commercial, operational and other skills, experience and knowledge necessary to guide the business of CR, as well as cultural competence.
- 6.6 The Board may co-opt people who possess skills, knowledge or experience that may be of assistance to the Company to act as non-voting members of the Board, and members of any Board Committee.

## 7. Co-CHAIRS

- 7.1 The Board will appoint two of its members to be the co-Chairs in accordance with CR's Constitution.

- 7.2 The co-Chairs represent the Board to members and stakeholders and communicate the Board's position.
- 7.3 The co-Chairs cannot have served in a senior executive position in CR during the previous three years.

## 8. COMPANY SECRETARY

- 8.1 The Company Secretary is responsible for the co-ordination of all Board business, including agendas, board papers, minutes, communication with regulatory bodies, and all statutory and other filings.
- 8.2 The Board will appoint at least one Company Secretary. Appointment and removal of a Company Secretary will be subject to Board approval.
- 8.3 All Directors shall have direct access to the Company Secretary.

## 9. BOARD COMMITTEES

- 9.1 The Board has established Committees to assist the Board in exercising its authority, including the responsibilities set out in paragraph 4.
- 9.2 The standing Board Committees are:
- The Compliance, Audit, Risk, and Finance Committee
  - The People, Safety and Culture Committee
- 9.3 The Board may from time to time review the standing Board Committees and constitute new committees as necessary or change the focus of Committees as business needs require.
- 9.4 The Board may establish ad hoc Board Committees from time to time to consider matters of special importance or to exercise the delegated authority of the Board.
- 9.5 The Board will determine the charters of standing and ad hoc Board Committees, which will set out the roles and responsibilities of each Committee.
- 9.6 The Board will determine the membership and composition of Board Committees, having regard to workload, skills and experience, and any regulatory requirements.

## 10. BOARD MEETINGS

- 10.1 The Co-Chairs are responsible, in consultation with the CEO and the Company Secretary, for the conduct of all Board meetings. This includes being satisfied that the agendas are comprehensive, that all agenda items are appropriate and that recommendations fit within the broad strategic direction set by the Board.
- 10.2 Meetings may be held using any technology consented to by all directors.
- 10.3 Each member of the Board has one vote for the purpose of determinations by the Board.
- 10.4 Members of executive management may be invited to attend Board meetings, as recommended by the CEO, subject to the nominees being communicated to the co-Chairs at least 7 days before scheduled Board meetings.
- 10.5 The Board will regularly meet without management representatives present, including at the conclusion of each meeting.

- 10.6 The CR Company Secretary, or another person appointed by the Board, will take minutes of the proceedings of all Board meetings.
- 10.7 The Board shall meet as often as necessary to conduct the business of the Company and not less than once in each quarter.
- 10.8 The quorum for a meeting of the Board shall be one half of the number of directors, or five (5) directors, whichever is the lesser
- 10.9 If there is no quorum present within 30 minutes after the starting time stated in the agenda for the board meeting, the meeting is adjourned to the date, time and place that the co-Chair(s) specify/ies, provided the meeting will be held no longer than one month from the original date and time. If the meeting is adjourned for one month or more, the meeting is considered dissolved, and directors must be given new notice.
- 10.10 A meeting may be called by a Chair or any two directors.
- 10.11 The Company Secretary shall ensure that at least one calendar months' notice of a Board Meeting shall be given to all directors.
- 10.12 The Board may function validly provided its number is not reduced below the quorum. Should Board numbers fall below the quorum the remaining directors may act only to appoint new directors.
- 10.13 Proposals arising at any meeting of the Board shall be decided by a majority of votes of those present and voting.
- 10.14 In case of an equality of votes, the Director appointed to chair the meeting (as co-Chair) shall have a second or casting vote.
- 10.15 The Chair/s or Deputy Chair will be responsible for the conduct of Board will give Directors reasonable opportunity to participate in discussions.
- 10.16 If business arises that requires a resolution between meetings, directors may pass a 'circular resolution' by email. A circular resolution is passed when a majority of directors entitled to vote on the resolution agree to the resolution by sending a reply email to that effect.

## 11. BOARD PERFORMANCE

- 11.1 The Board will undertake ongoing assessment and review of performance of the Board, its committees, and individual Directors annually, with some form of externally facilitated evaluation at least every three years.
- 11.2 The Board will develop a board and individual director professional development policy and an associated budget and discuss at the beginning of each year an appropriate number of shared topics for board-as-a-whole development throughout the year.

## 12. ETHICAL STANDARDS and CODE OF CONDUCT

- 12.1 Board members are expected to observe the highest standards of ethical behaviour, and act in a way consistent with the stated values of the organisation.
- 12.2 The Board supports and encourages policies within CR which require Directors and employees to observe high standards of personal integrity and display honesty in their dealings.

### 13. CONFLICTS OF INTEREST

- 13.1 Directors are expected to avoid any action, position or interest that conflicts with an interest of CR or gives the appearance of a conflict.
- 13.2 A Director that has a material personal interest in a matter that relates to the affairs of CR must give other Directors notice of such interest.
- 13.3 The Company Secretary will maintain a register of declarations of interest by Directors and report them to the Board as necessary.

### 14. REVIEW OF CHARTERS

- 14.1 Board and Committee Charters will be reviewed every two years or as required.