

ARGYLE COMMUNITY HOUSING LTD

BOARD CHARTER

1. PURPOSE

This Charter sets out the responsibilities, authorities, and processes of the Board of Directors (**Board**) of Argyle Community Housing Ltd (**Argyle Housing** or the **Company**). The Board is governed by the constitution of Argyle Housing which was adopted by members on 10 November 2020 (**Constitution**), a copy of which is available on the Argyle Housing website.

2. RESPONSIBILITIES OF THE BOARD

- 2.1 The Board is responsible for, and has the authority to determine, all matters relating to the policies, practices, management and operations of Argyle Housing. It is required to do all things that may be necessary to be done (in compliance with applicable legislative requirements) in order to carry out the objectives of the Company. The Board has the final responsibility for the successful operations of the Company.
- 2.2 The Board has ultimate responsibility for providing good governance and sound strategic guidance for the Company and for effective oversight of management's performance, including management's implementation of the Company's strategic objectives and maintenance of the Company's values.
- 2.3 The Board may delegate appropriate powers and authority to the Chief Executive Officer (**CEO**) to ensure effective day to day management of the Company.
- 2.4 The responsibilities of the Board include:
 - a) to act as an interface between Argyle Housing and its stakeholders;
 - b) define the Company's purpose and provide the overall strategic direction and monitor performance against strategic plans and Argyle Housing's Strategic Pillars of:
 - i) Clients and Community
 - ii) People Performance & Culture
 - iii) Partnerships and Capability
 - iv) Sustainable Growth
 - v) Advocacy and Identity.
 - c) oversee the integrity of the Company's accounting and corporate reporting systems, including the external audit;
 - d) approve annual and long-term budgets and operational plans, and monitor performance against those;
 - e) approve annual financial statements and reports;
 - f) agree the desired values and culture of the Company and monitor compliance, by approving the Company's statement of values and code of ethics and conduct for the Company including related party transactions;
 - g) approve major capital expenditure by the Company, including asset acquisitions and disposals;
 - h) approve the Company's risk appetite and risk management framework and strategies, including credit, liquidity and operational risk and develop and monitor the effectiveness of internal controls and systems in order to manage and mitigate these risks;
 - i) review economic, environmental and social risk matters and oversee disclosure in respect of such matters;
 - j) select, appoint and terminate, as necessary, the external and internal auditors;
 - k) assess the external auditor's ongoing independence and scope of the external audit function, together with the provision of any non-audit services by the

external auditor;

- l) appoint, replace, review and evaluate the performance and employment of the CEO and approve the appointment and replacement of direct reports to the CEO and the development of management succession plans;
- m) approve the remuneration of the CEO and direct reports to the CEO;
- n) satisfy itself that the Company's remuneration policies are aligned with the Company's purpose, values, strategic objectives and risk appetite;
- o) oversee compliance with all regulatory and legislative requirements and policies for communication with all stakeholders including federal and state governments, regulators, debt providers and tenants;
- p) confirm that an appropriate framework exists for relevant information to be reported by management to the Board and, whenever required, challenge management and hold it to account;
- q) review the effectiveness of workplace health and safety systems and environmental risk management of the Company;
- r) review the performance of the Company in relation to workplace health and safety and environmental consequences of the activities of the Company, including impacts on employees, clients and other third parties, the environment and the communities in which the Company operates;
- s) approve delegated authorities to management;
- t) approve the Company's Code of Ethics and Conduct, Conflicts of Interest Policy, Whistleblower Policy and other corporate governance policies which apply to the Company, monitor their effectiveness and address any material breaches;
- u) review annually, Argyle Housing's diversity initiatives and objectives, and progress towards their achievement, approve key performance indicators for senior management in relation to the Company's diversity objectives and approve any public disclosure regarding diversity; and
- v) monitor the effectiveness of the Company's governance practices.

3. BOARD COMPOSITION, STRUCTURE AND APPOINTMENT

- 3.1 The Board will comprise of at least three and up to 11 directors who are appointed in accordance with the Election of Office Holders Policy. Not more than nine directors will be Members of Argyle Housing and not more than two may be Appointed Directors (as defined in the Constitution).
- 3.2 A quorum of the Board comprises not less than half of the total number of directors or such greater number fixed by the Board, but in any event, not less than three directors.
- 3.3 A majority of directors must be independent as determined annually by the Board having regard to the criteria for independence set out in the ASX Corporate Governance Council's Principles and Recommendations.
- 3.4 It is intended that the Board be comprised of directors with a broad range of skills, diversity, expertise and experience from a range of backgrounds, while taking into account specific skills and experience that may be of specific relevance to the Company and its operations. The Chair must be an independent non-executive director.
- 3.5 All directors are subject to re-election by rotation at least every three years. Newly appointed directors must seek election at the first annual general meeting of members following their appointment.
- 3.6 The maximum tenure of a director will normally be nine years. The maximum tenure of the Chair will normally be 12 years (which includes any time served as a director). The Board

may vary these requirements at their discretion.

- 3.7 Prior to the appointment of any directors, appropriate background checks will be undertaken including checks as to a candidate's character, expertise, education, criminal record and bankruptcy history.
- 3.8 Directors will be appointed pursuant to formal letters of appointment setting out the key terms and conditions of their appointment.

4. THE BOARD'S RIGHTS

- 4.1 Directors may access such information and seek such independent advice as they individually or collectively consider necessary to fulfil their responsibilities and permit independent judgement in decision making. Directors will be entitled to:
 - a) access the CEO and the direct reports of the CEO at any time to request relevant and additional information or seek explanations after first informing the Chair or CEO;
 - b) have access to internal and external auditors, without management present, to seek explanations or additional information; and
 - c) seek independent professional advice at the Company's expense, with the Chair's consent which will not be unreasonably withheld.
- 4.2 Directors are expected to comply with their legal, statutory and equitable duties and obligations when discharging their responsibilities as directors.
- 4.3 Directors are expected to support the letter and spirit of Board decisions.
- 4.4 Directors will keep confidential at all times all Board information discussions, deliberations and decisions, which are not publicly known or approved for disclosure.

5. CHAIR

- 5.1 The Board will elect one of its number as the Chair. The Chair must be an independent non-executive director.
- 5.2 The Chair's role includes to:
 - a) provide leadership to the Board;
 - b) act as a point of liaison between the Board and management;
 - c) assist the Board to fulfil its obligations under this Charter;
 - d) lead the Board's annual performance assessment process;
 - e) facilitate efficient and constructive discussions of critical issues and decisions;
 - f) facilitate the effective contribution and development of all directors;
 - g) appoint directors to serve on Board committees; and
 - h) represent the Board in its communication to stakeholders.

6. CHIEF EXECUTIVE OFFICER

- 6.1 The CEO is accountable to the Board for the performance and management of the Company and its operations.
- 6.2 The CEO manages the Company, on a day-to-day basis, in accordance with the strategy, budgets, policies and delegations approved by the Board.
- 6.3 The CEO's performance is assessed annually in light of the achievement of goals, targets, and other Key Performance Indicators as determined by the Board.

6.4 With the agreement of the Board, the CEO appoints the direct reports of the CEO and other senior managers, and is responsible for their performance and succession planning.

6.5 The CEO has overall accountability for creating a safe work place for all employees and for conducting the Company's business in compliance with the Company's code of ethics and conduct, all applicable laws and regulations and in an honest and ethical manner.

7. COMPANY SECRETARY

7.1 The Board is responsible for the appointment and replacement of the Company Secretary and will appoint at least one Company Secretary.

7.2 The Company Secretary's responsibilities to the Board include to:

- a) co-ordinate and administer all Board meetings and business;
- b) provide governance, administration, technical and other support to the Chair, Board committees and the directors; and
- c) retain independent professional advisors at the request of the Board.

8. DUTIES OF RESPONSIBLE PERSONS

8.1 Argyle Housing must continue to meet the Australian Charities and Not-for-profits Commission (**ACNC**) governance standards to stay registered by that body.

8.2 ACNC Governance Standard 4 (Suitability of responsible persons) states that Argyle Housing must take reasonable steps to make sure that its responsible persons (which includes Directors) meet certain duties, as follows:

- a) To act with reasonable care and diligence.
- b) To act honestly in the best interests of the charity and for its charitable purposes.
- c) Not to misuse their position as a responsible person.
- d) Not to misuse information they gain in their role as a responsible person.
- e) To disclose conflicts of interest.
- f) To ensure that the financial affairs of Argyle Housing are managed responsibly.
- g) Not to allow Argyle Housing to operate while it is insolvent.

9. COMMITTEES

9.1 The Board may establish committees (both ad hoc and standing) to assist it in discharging its responsibilities.

9.2 The Board has currently established three standing committees:

- a) Assets, Acquisitions and New Business Committee;
- b) Audit and Risk Committee; and
- c) Nominations, Remuneration and Governance Committee.

9.3 The Board determines the charter for each of the committees and these charters will determine the membership and responsibilities of each committee.

9.4 Formal minutes of committee meetings are to be circulated to the directors. A verbal report is also provided at the following Board meeting by the committee chair.

10. CONFLICTS OF INTEREST

10.1 Directors must:

- a) disclose to the Board any actual, potential or perceived conflicts of interest which may exist, as soon as they become aware of the issue;
- b) take any necessary and reasonable measures to resolve the conflict; and
- c) comply with the *Corporations Act 2001* (Cth) provisions on disclosing interests and restrictions on voting.

10.2 If a conflict or potential conflict situation exists, it is expected that the conflicted director will not receive any relevant Board papers and will be absent from the meeting whilst the Board discusses the matter. The conflicted director must not vote on the matter unless the other directors are satisfied that the Interest should not disqualify the director from being present or voting on the matter.

10.3 Directors are expected to advise the Chair of any proposed board or executive appointment to other organisations as soon as practicable.

10.4 The Company Secretary will maintain a register of declarations of interests of directors for reporting to the Board as necessary.

11. INDUCTION PROGRAM

11.1 Each new director will be required to participate in an induction program which includes meeting with the Board, the CEO and other executives to familiarise themselves with the Company, its strategy and operations, and policies and procedures.

12. CONTINUING PROFESSIONAL DEVELOPMENT

12.1 Argyle Housing is committed to the continuing professional development of its directors and senior executives. In line with this commitment, there is an expectation that all directors will commit to a reasonable amount of professional development each year. Directors are encouraged to attend and participate in training and development programs. A Board training and development register for each director is maintained by the Company Secretary and reviewed on a regular basis to ensure that appropriate professional development is being undertaken by each director.

13. REVIEW OF THE BOARD AND COMMITTEE CHARTERS

13.1 The Board and committee charters will be reviewed at least on a biennial basis, or earlier if circumstances require.

13.2 To the extent that there is any inconsistency between this charter and the Constitution, the Constitution will prevail.

14. INDEMNITY OF DIRECTORS

14.1 Each director will enter into a deed with the Company whereby the Company:

- a) to the extent permitted by law, agrees to indemnify the director against liability out of the discharge of their duties;
- b) agrees to maintain an insurance policy for the director against liability incurred in his or her capacity for the term of their appointment and for seven years following cessation of office; and
- c) agrees to maintain all Board papers relating to the director's period of appointment and to make those papers available to the director for a period of seven years following cessation of office.

15. APPROVAL AND REVIEW OF THE CHARTER

15.1 The Board shall review the Charter biennially to ensure its relevant, effectiveness and consistency with best practice.

15.2 This charter was approved and adopted by the Board on 26 April 2022.

Version Control

Version No	Date	Revised By	Description	Board approved
1.0		G.D'Lacy		10 April 2013
2.0	July 2013	C.Bratchford		27 August 2013
3.0	October 2014	Company Secretary	More succinct Charter	12 November 2014
4.0	May 2015	Company Secretary	Inclusion of cultural differences and disability awareness.	28 April 2015
5.0	March 2016	Company Secretary	Annual Review	28 June 2016
6.0	May 2018	Company Secretary	Biennial Review	26 June 2018
7.0	June 2020	Company Secretary	Biennial Review	24 June 2020
8.0	April 2022	Company Secretary	Biennial Review	26 April 2022
9.0	February 2024	Company Secretary	Biennial Review	27 February 2024