

# BOARD CHARTER

Manchester Unity Australia Ltd  
(ACN 087 648 771)

(the "Company")

BOARD APPROVAL DATE: 30 AUGUST 2017

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## 1. INTRODUCTION AND PURPOSE OF THIS CHARTER

Manchester Unity Australia Ltd ACN 087 648 771 (the **Company**) is a public company limited by shares.

The purpose of this Board Charter is to set out the corporate governance structure of the Company so as to facilitate the sound and prudent management and governance of the operations of the Company in accordance with its Constitution and in compliance with applicable legislative and regulatory requirements.

This Charter sets out the roles and responsibilities of the Board and management, specific responsibilities that the Board has delegated to its committees or to management, as well as the Board structure, operations and processes.

As a wholly-owned subsidiary of The Hospitals Contribution Fund of Australia Limited ACN 000 026 746 (**HCF**), the Company is integrated within the HCF Group's governance and risk management framework and is guided by the policies and procedures of the HCF Group.

## 2. ROLE OF THE BOARD

### 2.1. ROLE

The Board is responsible for the overall governance of the Company including overseeing the continuity of the Company's business and the long-term viability of the Company, strategic guidance of the Company and the effective oversight of management. To achieve these roles, the Board has reserved to itself the following responsibilities.

### 2.2. RESPONSIBILITIES

The Board's responsibilities include the approval of:

- a) the annual financial statements and payment of any dividends;
- b) the acquisition, establishment, disposal or cessation of any significant business of the Company;
- c) borrowings, and the granting of security over, or interests in, the undertaking of the Company or any of its assets, other than in the ordinary course of business;
- d) the appointment and removal of the Company Secretary; and
- e) any other matters that require Board approval in accordance with the Company's Constitution or the *Corporations Act 2001* (Cth) (**Corporations Act**).

## 3. ROLE OF THE CHAIR

The Chair is an independent non-executive Director appointed by the Board and is responsible for:

- a) providing appropriate leadership to the Board;
- b) monitoring that Directors receive the appropriate induction;
- c) monitoring that the membership of the Board is balanced and appropriate for the Company's needs;
- d) setting the agenda, style and tone of Board discussions and monitoring that key decisions are made in a timely manner;
- e) facilitating Board discussions to ensure the core issues facing the Company are addressed and that adequate time is allocated for consideration of all issues;
- f) monitoring the performance of the Board;
- g) guiding and promoting the on-going effectiveness and development of the Board and individual Directors;
- h) liaising with the chair of any subsidiary company and any committee that is deemed necessary to assist with the corporate governance of the Company;
- i) liaising with any person as deemed necessary to assist with fulfilling the responsibilities of the Board; and
- j) promoting constructive relationships between Board members and between the Board and management.

## **4. ROLE OF INDIVIDUAL DIRECTORS**

The Directors' specific duties and responsibilities include:

### **4.1 LEGAL AND STATUTORY REQUIREMENTS**

To act in accordance with legal and statutory requirements including:

- a) discharging their duties in good faith and acting honestly in the best interests of the Company and their current and prospective policyholders;
- b) owing a fiduciary duty to the Company using their powers of office for proper purpose, in the best interests of the Company as a whole;
- c) acting with required care, skill and diligence, demonstrating commercial reasonableness in their decisions;
- d) understanding the Company's finances in order to reach a reasonably informed opinion of its financial capacity;
- e) not making improper use of information gained through their Directorship;
- f) not taking improper advantage of their Directorship;
- g) making reasonable enquiries to ensure that the Company is operating efficiently, effectively and legally towards achieving its goals;
- h) understanding collectively the risks to the Company;
- i) understanding the Company's legal and prudential obligations;
- j) overseeing the effective management of the Company and making key decisions in a timely manner;
- k) to contribute effectively to the Board's deliberation processes;
- l) undertaking diligent analysis of all proposals placed before the Board;
- m) not permitting the Company to engage in insolvent trading;
- n) to make an independent assessment of information or advice from a competent and reliable individual, before relying upon it;
- o) to exercise independent thinking and judgement in the discharge of these responsibilities.

### **4.2 TIME COMMITMENT AND PARTICIPATION IN BOARD MEETINGS**

- p) to devote sufficient time to properly perform their duties to the Company, and to assist the Board in carrying out its responsibilities;
- q) to confirm annually to the Board that the Director is able to devote sufficient time and attention to the Board for the coming year;
- r) to attend Board meetings, question, request information, raise any issue which is of concern to them, fully canvass all aspects of any issue confronting the business and cast their vote on any resolution according to their own judgement;
- s) to keep confidential Board discussions, deliberations and decisions except where decisions are required to be publicly disclosed.

### **4.3 CONFLICT OF INTEREST**

In accordance with the Constitution, the Corporations Act and current best practice, to be sensitive to conflicts of interest that may arise and to:

- t) disclose to the Board any actual or potential conflicts of interest (including details of transactions or relationships) that may exist or might reasonably be thought to exist as soon as the situation arises;
- u) inform the Chair of any proposed board or executive appointments they are considering undertaking;
- v) if deemed desirable by the Board or the Director, take such steps as are necessary and reasonable to resolve any conflict of interest within an appropriate period;
- w) comply with the Corporations Act provisions relating to disclosing interests and restrictions on voting; and
- x) follow the agreed procedures to assist them in disclosing potential conflicts of interest.

#### **4.4 CODE OF CONDUCT AND ETHICAL STANDARDS**

To observe the HCF Code of Conduct that sets out the ethical behaviour and professional conduct expected from all of the HCF Group's colleagues and business partners including dealings with:

- customers and consumers;
- suppliers;
- advisors and regulators;
- competitors;
- the community; and
- employees.

#### **4.5 AVAILABILITY TO REGULATORS**

To be available to meet with any regulator on request.

### **5. ROLE OF THE COMPANY SECRETARY**

The Company Secretary is accountable to the Board through the Chair on all corporate governance matters and is specifically responsible for:

- a) co-ordinating, organising and attending all Board Meetings;
- b) preparing minutes of meetings and resolutions of the Board in accordance with the HCF Director Board/Committee Paper and Minutes Policy;
- c) overseeing statutory and administrative procedures;
- d) identifying and implementing corporate governance issues, initiatives and opportunities; and
- e) liaising between the Board and management to ensure Company Secretariat activities align with business needs and business strategy.

### **6. ROLE OF MANAGEMENT**

The Chief Executive Officer (with the assistance of management) is responsible to the Board for:

- a) the overall management and performance of the Company's business;
- b) providing the Board with information that will assist the Board in discharging its duties;
- c) preparing and monitoring the Company's Corporate Plan, Budget and Risk Appetite Statement;
- d) reporting on performance against the Company's Corporate Plan, Budget and Risk Appetite Statement to the Board on intervals agreed by the Board;
- e) implementing and overseeing adherence to plans, policies and procedures in accordance with directives from the Board;
- f) maintaining an annual Board program of regular and annual items, which are supplemented with business items as required which is used to develop agendas for Board meetings;
- g) designing and implementing a risk management and compliance framework and supporting policies and controls that are effective to manage risks; and
- h) facilitating that senior management are available to meet with any regulator on request.

### **7. DELEGATIONS OF AUTHORITY**

The Board may delegate its authority, in writing, to a person or a committee.

## **7.1. DELEGATION TO BOARD COMMITTEES**

Where the Board establishes committees to assist it in discharging its responsibilities, each committee will have a written charter approved by the Board setting out the authority, responsibilities, membership and operations of the committee.

The Board will monitor the committees' performance and exercise of delegated authority on a regular basis and review the written charter of the committee on an annual basis. The Chair of each committee will report any matters of substance to the next Board meeting and minutes of all committee meetings will be circulated to the Board.

The Chair of the Board and relevant management (as appropriate) will, and Directors may, attend committee meetings. Directors are also entitled to receive committee papers.

Committees are entitled to obtain professional or other advice in order to effectively carry out their proper functions.

Committees may be established by the Board from time to time, as required. There are currently no standing committees of the Board. However, the Board has delegated responsibility for assisting in the oversight of audit, risk and compliance matters to the HCF Audit, Risk & Compliance Committee to be exercised on an HCF Group basis.

## **7.2. DELEGATIONS TO MANAGEMENT**

The Board has delegated to the Chief Executive Officer the authority to manage the day to day affairs of the Company in relation to all matters other than those responsibilities reserved to the Board in this Board Charter and as prescribed by law.

Management delegations that have been approved by the Board are set out in the HCF Group's Delegated Authority Policy. Delegations are reviewed annually.

## **7.3. OVERSIGHT OF DELEGATIONS**

The Board must ensure there are procedures for the Company to monitor the exercise of delegations and not to abrogate its responsibilities through the use of delegations.

# **8. BOARD STRUCTURE & RENEWAL**

## **8.1. BOARD COMPOSITION AND SIZE**

In accordance with the Constitution the Board has determined, for the present, the number of Directors will be a minimum of three at all times, and no more than a total of ten Directors.

## **8.2. CHAIR**

The Board will elect one of its members to be the Chair.

Subject to the conditions for appointment and tenure of a Director under the Constitution, there is no additional limitation on the tenure of the Chair.

# **9. CONDUCT OF BOARD BUSINESS**

## **9.1. FREQUENCY AND CALLING OF MEETINGS**

The Board will meet at least once annually. Additional Board meetings may be convened as special meetings during the year, when required to carry out its responsibilities.

The Chair must call a meeting of the Board if requested by any Director, the External Auditor or the Head of Internal Audit.

## **9.2. QUORUM OF MEETINGS**

In accordance with the Constitution, the quorum for a Board meeting will be 50% plus one of the Directors entitled to vote.

The quorum must be present at all times during the meeting. No business may be transacted at any meeting of the Board unless a quorum is present.

### 9.3. CONDUCT OF MEETINGS

Meetings will be conducted in accordance with the Constitution and the Corporations Act. They will be formally structured, held in appropriate facilities with timely notice, agendas and supporting papers and minutes of prior meetings distributed sufficiently in advance.

Matters will be debated openly and constructively amongst the Directors. The Board may invite management or external consultants to attend Board meetings, where necessary or desirable.

The process for preparation and approval of minutes and the security and retention of papers is set out in the HCF Director Board/Committee Papers and Minutes Policy.

The Board will provide the External Auditor with the opportunity to raise matters directly with the Board.

Where approvals are granted outside a meeting of the Board, a report is to be provided to the next meeting of the Board.

### 9.4. ACCESS TO INFORMATION AND INDEPENDENT ADVICE

The Directors have the ability to access members of the management team (or any other relevant staff) at any time to request relevant information in accordance with any protocols adopted by the Board from time to time.

Directors may seek independent professional advice as required in relation to his/her role or responsibilities as a Director of the Company, at the Company's expense, with the prior approval of the Chair, which will not be reasonably withheld. Directors must ensure that the costs are reasonable. The information must be made available to the rest of the Board.

### 9.5. DEALING WITH EXTERNAL STAKEHOLDERS

Generally, communication with the media and the investment community on Company issues will be undertaken by the Chief Executive Officer. Non-executive Directors are not expected to become involved with the media or the investment community on Company affairs in the normal course of business.

## 10. EVALUATION OF BOARD AND COMMITTEE PERFORMANCE

The Chair will, on an annual basis, facilitate a discussion on, and formal evaluation of, Board and Committee performance relative to set objectives and the performance of individual Directors. The Chair may engage external consultants to facilitate Board and Director reviews.

## 11. INSURANCES

A Director & Officer Insurance program has been put in place by the Company. Directors are provided with a Deed of Access, Indemnity and Insurance on appointment which sets out the basis upon which Directors are indemnified in relation to actions which may be taken against them and their rights to access Company records.

## 12. REVIEW OF CHARTER

The Board will review this Board Charter on an annual basis in light of current best practice governance principles and amend the Board Charter as appropriate.

I confirm that I have reviewed this policy and am satisfied that it captures all operational and regulatory requirements.

TITLE	DATE	SIGNATURE
Head of Legal	30 August 2017	<i>Stuart Samard</i>
Company Secretary	30 August 2017	<i>Nathan Francis</i>

**Do you have a question? Contact the HCF Company Secretary Team:**



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