

Sundale Ltd. Corporate Governance Plan.

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RETIREMENT COMMUNITIES CARE CENTRES IN-HOME CARE CHILD CARE REHABILITATION HOUSING

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Table of Contents

	Introduction	3
1.0	Duties and Responsibilities of the Board	4
2.0	Board Structure	6
3.0	The Role of Individual Directors	7
4.0	The Role of the Chair and the Deputy Chair	13
5.0	The Role of the Company Secretary	15
6.0	The Role of the Chief Executive Officer	16
7.0	Board Meetings	17
8.0	The Board Meeting Agenda	19
9.0	Board Minutes	21
10.0	Board and Committee Annual Calendar	22
11.0	Board Committees	23
12.0	Delegations and Referral	26
13.0	Performance Monitoring	27
14.0	Strategy Formulation	29
15.0	Director Protection	30
16.0	Board Performance Evaluation	31

INTRODUCTION

The business of Sundale Ltd (**Sundale** or **Company**) is managed under the direction of the Board of Directors (**Board**). The Board is accountable to its members (**Members**) for the strategy, performance, compliance and risk of the Company.

The Board governs the Company within this governance framework. In particular, good governance requires the Board to balance the need for short-term performance with the vision to deliver long term strategy and initiatives in accordance with the Company's Constitution (**Constitution**).

This document outlines the Board's Corporate Governance Plan, which defines the respective roles, responsibilities and authorities of the Board, both individually and collectively, and the Board's ability to provide guidance to Management with respect to strategy, development and direction of Sundale. It establishes the guidelines within which the Directors, the CEO and other senior officers are to operate as they carry out their roles. It does not in any way constitute legal advice or act as a substitute for legal advice.

The purpose of this Corporate Governance Plan is to document the policies upon which the Board has decided to meet its legal and other responsibilities including delineating the roles and relationship between the Board, the CEO and the Company Secretary. The Corporate Governance Plan should be read in conjunction with the Constitution.

Additionally, the Corporate Governance Plan seeks to address Sundale's commitment to good governance in the aged care sector and to meet the requirements of the Aged Care Quality Standards, particularly Standard 8 (Organisational Governance) and the Charter of Aged Care Rights by:

- a) engaging with our consumers in the development delivery and evaluation of the care and services Sundale provides;
- b) promoting a culture of safe, inclusive and quality care and services;]
- c) ensuring Sundale has systems in place relating to:
 - information management;
 - continuous improvement;
 - financial governance;
 - workforce governance, including clear assignment of responsibility and accountability;
 - regulatory compliance; and
 - feedback and complaints;
- d) having effective risk management systems and practices, which include:
 - managing high-impact or high-prevalence risks associated with the care of our consumers;
 - identifying and responding to abuse and neglect of consumers;
 - supporting consumers to live the best life they can;
- e) a clinical governance framework, which include:
 - antimicrobial stewardship;
 - minimising the use of restraint; and
 - open disclosure.

1.0 DUTIES AND RESPONSIBILITIES OF THE BOARD

The business of Sundale is managed under the direction of the Board. The Board is accountable to the Members for the strategy, performance, compliance and risk of the Company.

The Board is responsible for the overall governance of Sundale including ensuring the continuity of the business and the long-term viability of the Company. Directors are required to ensure they devote sufficient time to properly perform their duties to the Company.

Directors also have a responsibility to ensure that they have an appropriate understanding of the complexities of the industry in which Sundale operates together with the industry's structure, operations, controls, regulatory obligations, current technology, types of transactions and political/economic environment in order to adequately assess the significant risks faced by the sector and Sundale.

The Board is responsible for, and has authority to determine, the policy, practices, management and operation of Sundale and shall do all such things as may be necessary to be done from time to time in order to achieve the objectives of the Company.

1.1 The Board responsibilities include:

Strategy, policies and governance

- a) Establishing and observing high ethical standards and determining higher level policies of the Company;
- b) Setting the strategic direction of Sundale and monitoring the implementation of that strategy by the Chief Executive Officer;
- c) Approving Board policy documents;
- d) Establishing and determining the powers and functions of all Committees of the Board to ensure their effective operation and performance against their Terms of Reference;
- e) Through its actions, holding responsibility for setting the cultural norms expected to be reflected throughout the Company;

Management

- f) Appointing and removing the Chief Executive Officer;
- g) Ratifying the appointment and removal of Sundale's Company Secretary and external auditor;
- h) Monitoring the performance of the Chief Executive Officer, including in relation to the implementation of strategy and policies and ensuring appropriate resources are available;
- i) Oversight of Sundale, including its control and accountability systems;

Financial

- j) Input to, final approval of, and monitoring performance against the corporate strategy, annual business plan and budget;
- k) Approving and monitoring the progress of major capital expenditure, capital management and property acquisitions / disposals under the Financial Authority Matrix and Infrastructure Approval and Review Process;

- l) Approving and monitoring financial and other reporting to Members, employees and stakeholders;
- m) Ensuring the Company's assets are safeguarded;
- n) Approving expenditure outside the approved budget and delegations;

Compliance and risk

- o) Ensuring appropriate mechanisms are in place to monitor compliance with all legal and regulatory obligations;
- p) Reviewing and ratifying systems of risk management and internal compliance and controls, codes of conduct, legal compliance and other significant corporate policies; and
- q) At least annually, reviewing the effectiveness of Sundale's implementation of its risk management systems.

1.2 In discharging their duties, each Director must;

- a) Exercise care and diligence;
- b) Act in good faith in the best interests of Sundale (including in regard to conflicts of interest);
- c) Undertake appropriate training, including an induction to the Company;
- d) Not improperly use their position or misuse information of Sundale; and
- e) Commit the time necessary to discharge effectively their role as a Director.

1.3 In the unlikely event that there is an issue of dispute between two or more Directors, the Directors should first seek to resolve the issue. Should further assistance be required the Chair should be approached to assist to achieve a positive resolution.

1.4 Sundale Directors are expected, where appropriate, to pursue business contacts to further Sundale's interests. Directors are expected to actively promote the Company in external interactions, acting positively and proactively.

1.5 The Board will carry out its activities through the Chief Executive Officer and delegates to the Chief Executive Officer specific powers and responsibilities. Delegations to the Chief Executive Officer are contained in the "Role of the Chief Executive Officer" and reflected within the Financial Authority Matrix and Human Resources Authority Matrix reviewed and approved by the Board annually.

2.0 BOARD STRUCTURE

The Board believes that its structure should reflect the need for independence, transparency, flexibility and community interest.

- 2.1 As such, the structure of the Board should comprise a total of up to nine (9) Directors (including Chair) with usually at least seven (7) of these Directors being elected in accordance with the Constitution. In accordance with the Constitution the Board may also appoint certain Directors, including to fill a casual vacancy.
- 2.2 A Director shall not be an employee, resident or client of Sundale. It is also expected that Directors should be free from any interest and any business or other relationship which could reasonably be perceived to materially interfere with the Director's ability to act in the best interests of Sundale, which may include being involved in the value chain of the Company either upstream or downstream and being an advisor to the Company for fees or for some other benefit.
- 2.3 The CEO will not be a Director.
- 2.4 The Board should contain a blend of expertise or experience in areas such as but not limited to:
 - a) finance and accountancy;
 - b) property management and development;
 - c) legal;
 - d) business;
 - e) health, medical or aged care; or
 - f) community service.
- 2.5 From time to time it may be necessary to appoint a Director for shorter periods to reflect the need for key skills on the Board. If this situation arises it will be clearly identified in the relevant Director's letter of appointment.

3.0 THE ROLE OF INDIVIDUAL DIRECTORS

3.1 Responsibilities

Sundale's Directors have primary responsibility for the oversight of the operations of the Company, including:

- a) the strategic direction and culture of the Company;
- b) financial operations and solvency;
- c) the welfare and interests of customers and employees; and
- d) to ensure compliance with relevant laws and Company policies.

Sundale Directors are expected to have an understanding of their fiduciary duties and responsibilities with the primary responsibility of serving the needs of the Company, and indirectly its customers, employees, community and other stakeholders.

3.2 Conduct

In accordance with statutory requirements, and in keeping with developments at common law, Sundale Directors:

- a) will discharge their duties in good faith and with honesty in the best interests of the Company with the level of skill and care expected of a Director of a major company;
- b) owe a fiduciary duty to the Company using the powers of their office for proper purposes, in the best interests of the Company as a whole;
- c) will act with required care and diligence, blending and demonstrating commerciality, caring and reasonableness in their decisions;
- d) will avoid (or where this is not possible, manage) conflicts of interest;
- e) will not make improper use of information gained through their position as a Director;
- f) will not take improper advantage of their position of Director;
- g) will not, through action or words, cause detriment to the Company or otherwise bring discredit upon the Company;
- h) will make reasonable enquiries to ensure that the Company is operating efficiently, effectively and legally towards achieving its goals;
- i) will undertake diligent analysis of all proposals placed before the Board; and
- j) will, at all times, comply with the spirit as well as the letter of the law, the Constitution and with the principles of this document.

3.3 Dealings with the Chief Executive Officer

Recognising the importance of the relationship between the CEO and the Board of Directors to the overall good governance and interests of the Company, Directors are expected to provide frank and honest advice to the CEO, and vice versa. In the unlikely event that there is an issue of dispute, the Director and CEO should first

seek to resolve the issue. Should further assistance be required the Chair should be approached to assist to achieve a positive resolution.

3.4 Delegations

- a) Directors decide what Company matters are delegated to either specific Directors or management and what controls are in place to oversee the operation of these delegated powers.
- b) Directors have no individual authority to participate in the day-to-day management of the Company, including making any representations or agreements with member companies, suppliers, customers, employees or other parties or companies unless such an authority is explicitly delegated by the Board through resolution to the Director either individually or as a member of a committee.

3.5 Confidentiality

- a) Directors will keep Board discussions and deliberations confidential, and shall, on ceasing to be a Director, return all Sundale documents and materials (howsoever held) to the Company Secretary.
- b) Directors are expected to be forthright in Board meetings and have a duty to question, request information, raise any issue, fully canvass all aspects of any issue confronting the Company and cast their vote on any resolution according to their own personal and individual decision. However, outside the boardroom, Directors will support the letter and spirit of Board decisions in any discussions with any other parties.
- c) Confidential information received by a Director in the course of the exercise of their duties remains the property of the Company from which it was obtained, and it is improper to disclose it, or allow it to be disclosed, unless that disclosure has been authorised by the person from whom the information is provided or is required by law. Any such disclosure shall be reported to the Board at the earliest opportunity and not later than the next Board meeting.

3.6 Conflict of Interest

Directors must:

- a) disclose to the Board actual, potential or perceived conflicts of interest which may exist or might reasonably be thought to exist by no later than the next Board meeting after the conflict arises; and
- b) at the request of the Board, within seven (7) days or such further period as may be allowed, take such steps as are necessary and reasonable to remove any conflict of interest referred to above.

If a Director cannot or is unwilling to remove a conflict of interest as required then they must absent themselves from the room when discussing matters about which the conflict relates. This entry and exit from a meeting should be minuted.

Directors will indicate to the Chair any actual, potential or perceived conflict of interest situation as soon as it arises, but not later than at the commencement of the Board meeting.

3.7 Good Faith

A Director or an Officer of the Company may commit an offence if they:

- a) are reckless; or
- b) are intentionally dishonest; or
- c) fail to exercise their powers and discharge their duties; or
- d) fail to act in good faith in the best interests of the Company; or
- e) fail to act for a proper purpose.

3.8 Meeting Attendance

- a) The Constitution allows the Directors to meet and regulate their meetings and proceedings as they think fit. The Directors usually agree on a schedule of meeting dates annually in advance and the Board normally conducts up to 10 Board meetings per annum. Directors should be in attendance at all meetings and a leave of absence should be sought from the Chair should attendance not be possible. The Board also has a number of Committees and all Directors are expected to participate in at least one Committee.
- b) The time commitment for Board and Committee meetings as well as attending education and training including conferences is typically up to 20 days per annum including reading and preparation time.

3.9 Continuing Professional Development

- a) Consistent with good Corporate Governance Practice, Sundale maintains a Continuing Professional Development Program for Directors.
- b) Directors are expected to attend a minimum of 25 hours of education and training annually including that identified and approved for the individual Director including generic governance training provided by organisations such as the Australian Institute of Company Directors; as well as that provided to the Board as a whole; and involvement in a minimum of one industry related conference per annum.
- c) The Board has established a Corporate Governance Committee that is responsible for making recommendations to the Board on matters relating to ongoing education and development of Directors, review of Board, Committee and Director performance and other matters pertaining to general Board governance.
- d) Costs associated with attending and accessing education and training as outlined herein will be met by the Company, up to the limit of the annual allocation for each individual Director. With the consent of the Chair, for specific

educational purposes, up to a maximum of two years' education budget allocation may be committed to a course of study provided the Director's overall budget is not exceeded (i.e. allocation is brought forward, not aggregated).

- e) Conference attendance by Directors should include attendance at one or more of the following:
- Leading Age Services Australia State Conference – usually held around March each year; or
 - Leading Age Services Australia National Conference – usually held around September each year; or
 - Other appropriate industry or specific topic conferences which may deal with the Sundale business (or segments thereof - including areas such as affordable housing; in-home care; residential aged care; retirement living or rehabilitation).

Approval for attendance for other conferences may be given by the Board from time to time. In the interests of broad education and development outcomes, it is considered that Director attendance at conferences should be as diverse as possible.

- f) There is an expectation that the proceedings of a conference, education session or other meeting attended by a Director will be reported to the Board. Where multiple Directors attend a conference they may nominate one or two Directors to prepare a report to the Board on behalf of all attendees. Such reports should identify points of note from the conference and in particular the manner in which the information gleaned could be applied to the operations of Sundale or the Board to improve outcomes.
- g) All Directors shall develop an individual development plan for a rolling period of two years. The development plan shall be updated annually and be subject to approval by the Corporate Governance Committee. In circumstances where a course of study falls outside of the usual industry training courses, approval is to be obtained from the Chair. In determining the approval, the Chair shall be guided by the relevance of such education to Sundale and the comparable costs with alternative courses.
- h) Incorporated into the annual budget approved by the Board, is all anticipated expenditure required to cover the education programs identified within a specific Board budget. This allocated budget will include all conferences, external courses and attendance at industry breakfast or luncheon functions. The budget allocation will be \$5,000 per annum per Director. Expenditure shall be monitored for each Director and balances advised on request.
- i) Directors are expected to undertake as much education as possible within Queensland to minimise travel costs. Air travel within Australia shall be economy class. Directors may be accompanied to a conference by their spouse or partner provided the Director concerned meets any additional costs incurred.

3.10 New Directors

- a) Individuals who wish to take up the role as a Director should have an interest and/or contemporary knowledge of the aged care, health and community services industries, be prepared to work in a collaborative environment, have some expertise pertaining to the skills mix for the Board, and have a high level of problem solving or critical analysis skills. They must also have and maintain the available time, interest and dedication to undertake this role diligently.
- b) Potential Directors will be identified by the Corporate Governance Committee according to criteria set and determined by them and adopted by the Board as a whole.
- c) New Directors will undergo a full induction into their role on the Board. Information conveyed to the new Director will include:
 - Details of their role and responsibilities with an outline of the qualities required to be a successful Director;
 - Formal policies on Director appointment as well as conduct and contribution expectations;
 - Details of all relevant legal requirements where applicable;
 - A copy of this Corporate Governance Plan;
 - Guidelines on how the Board processes function;
 - Details of past, recent and likely future developments relating to the Board including anticipated known regulatory changes;
 - Background information on and contact information for key people in the Company including an outline of their roles and responsibilities;
 - An analysis of the current Company including:
 - Core competencies of the Company;
 - An industry background briefing;
 - Details of past financial performance;
 - Current financial structure;
 - Any other important operating information; and
 - A copy of the current strategic plan.
- d) Similarly, each Director will receive a formal letter of appointment that details in conjunction with the Corporate Governance Plan:
 - Their terms of appointment;
 - Remuneration and review policy;
 - Board policy on retirement age;
 - Access to information via the Board portal;

- Insurance cover; and
 - Expectations of the Board.
- e) All new Directors will undergo an induction program and will be provided with a Mentor, who shall be an experienced Director and shall be selected by the Chair. The new Director and their Mentor shall meet as early as reasonably possible and agree a framework of engagement and a timeframe (typically six (6) months) for the provision of support to the new Director.

3.11 Director Remuneration Policy

- a) A fundamental element of the corporate governance system for Sundale is the decision to remunerate Directors and the process and level of Director remuneration.
- b) The level of Director remuneration shall be set so as to attract the best candidates for the Board while maintaining a level commensurate with boards of companies of similar size and type.
- c) The process of setting Director remuneration shall be undertaken by the Corporate Governance Committee and may take into account committee member composition and comparisons with similar company director remuneration.
- d) The proposed Sundale Director remuneration shall be submitted to the Board by the Corporate Governance Committee and included as part of the Annual General Meeting in accordance with the Constitution.
- e) The mechanism through which the Director remuneration is paid will be determined through agreement between the Chief Executive Officer and the Corporate Governance Committee Chair, aimed at ease of processing for the Company.

3.12 Director Expenses

- a) From time to time individual Directors may incur expenses in performing their duties as a Board Member of Sundale. Such occurrences are deemed to be rare however, where practicable any such expenses should be approved by the Chair prior to the incurring of the expenditure.
- b) In order to receive reimbursement for approved expenses, the Director must submit an expenditure reimbursement form to the Chair for approval and payment. In the case of the Chair any expense reimbursement is to be approved by the Deputy Chair,

4 ROLE OF THE CHAIR AND THE DEPUTY CHAIR

Chair

- 4.1 The Chair is appointed by the Board annually at the first Board meeting following the AGM. It is envisaged that the normal term for a Chair will be for a period of up to five (5) consecutive years subject to satisfactory performance.
- 4.2 The Chair must be an independent party and shall be selected by the Board on the basis of the person's achievements and record as a leader.
- 4.3 The Chair will be the spokesperson for the Company at the Annual General Meeting and in the reporting of performance and profit figures. With respect to public relations activities, the Chair may speak on matters that relate to the Board's role. All other public relations activities shall be undertaken by the CEO or other senior member of management.
- 4.4 In common with the Chair of most companies, the Chair:
 - a) will chair Board meetings;
 - b) if he/she is not present within 30 minutes after the time appointed for the holding of that meeting, the Deputy Chair shall assume that role; and
 - c) will establish the agenda for Board meetings in consultation with the CEO.
- 4.5 Consistent with the responsibilities on all Directors, the Chair shall not be entitled to vote or participate in the deliberations on any matter in which they have or are perceived to have, a conflict of interest.
- 4.6 The Chair will:
 - a) be the major point of contact between the Board and the Chief Executive Officer;
 - b) be kept fully informed by the Chief Executive Officer on all matters which may be of interest to Directors;
 - c) regularly review with the Chief Executive Officer and such other senior officers as the CEO recommends, progress on important initiatives and significant issues facing the Company;
 - d) provide mentoring for the CEO;
 - e) chair the CEO evaluation process and reporting the outcome to the Board; and
 - f) ensure, through the Corporate Governance Committee, that the annual process of Board and Director evaluation is undertaken.

Deputy Chair

- 4.7 The Board shall also elect a Deputy Chair, who shall be appointed by the Board annually at the first Board meeting following the Annual General Meeting. It is envisaged that the normal term for a Deputy Chair will be for a period of up to five consecutive years subject to satisfactory performance.

- 4.8 Like the Chair, the Deputy Chair must be an independent party and shall be selected by the Board on the basis of the person's achievements and record as a leader.
- 4.9 The role of the Deputy Chair shall include:
- a) to undertake the role and responsibilities of the Chair whenever the Chair is absent, inconvenienced or otherwise unable to undertake their role and responsibilities;
 - b) to act as a sounding Board and confidant for the Chair; and
 - c) to conduct the CEO performance evaluation interview in conjunction with the Chair.

5 THE ROLE OF THE COMPANY SECRETARY

5.1 The role of the Company Secretary is articulated in the *Corporations Act 2001* (Cth), and amongst other things it requires that the Company Secretary will:

- a) be responsible for the maintenance of minutes of Board meetings;
- b) ensure that all requirements for annual and general meetings of the Company are complied with;
- c) subject to provisions for shorter notice of a Board meeting, notify the Directors of the annual schedule of meetings;
- d) ensure that the Board complies with its responsibilities of incorporation and the Constitution;
- e) table items of correspondence addressed to the Board, and issue correspondence on behalf of the Board; and
- f) undertake the responsibilities allocated to the Company Secretary position under the *Corporations Act 2001*, including but not limited to ensuring that as required the Company
 - notifies ASIC / ACNC about changes to the identities, names and addresses of the Company's Directors and Company Secretary; and
 - notifies ASIC / ACNC about changes to the register of Members; and
 - notifies ASIC / ACNC about changes to any ultimate holding Company; and
 - responds, if necessary, to an extract of particulars received and responds to any return of particulars that it receives.
- g) undertake other duties related to the role as required by the Board.

5.2 The Board will appoint the Company Secretary from time to time.

6 THE ROLE OF THE CHIEF EXECUTIVE OFFICER

- 6.1 The Chief Executive Officer will be appointed by the Board.
- 6.2 The CEO is responsible for the ongoing management of the Company in accordance with the strategy, policies, delegations and programs approved by the Board to achieve the agreed goals.
- 6.3 The Chief Executive Officer's responsibilities include:
- a) developing, with the Board, a consensus for Sundale's vision and direction;
 - b) constructing, with Sundale's management team, programs to implement this vision;
 - c) being responsible for the terms and conditions of appointment of the Executive Management Team members and other employees;
 - d) obtaining Board approval through the Chair for all Executive Management Team member appointments;
 - e) providing strong leadership to, and effective management of, the Company in order to:
 - encourage co-operation and teamwork;
 - build and maintain employee morale at a high level;
 - build and maintain a strong sense of employee identity with, and a sense of allegiance to, the Company; and
 - maintain good relationships with members, customers, employees and stakeholders;
 - f) signing agreements with third parties under Board delegations;
 - g) ensuring the Company's activities are undertaken in compliance with applicable laws and regulations;
 - h) ensuring a safe workplace;
 - i) carrying out the day-to-day management of the Company;
 - j) forming committees from time to time to assist in the orderly conduct and operation of the Company; and
 - k) keeping the Board informed, at an appropriate level, of all the activities of the Company.
- 6.4 The CEO is formally delegated by the Board to act in accordance with the authority delegations as adopted by the Board and amended from time to time.
- 6.5 It is an expectation of the Board that the CEO will be directly involved in industry representation and personal skills development, and that this may involve the CEO assuming Director or other representative responsibilities with external companies subject to the agreement of the Chair.

7. BOARD MEETINGS

7.1 Meetings shall be formally structured and held in appropriate facilities, in line with the Constitution. All Directors are entitled to be heard at all meetings and should bring an independent judgement to bear in decision-making. The Directors shall meet in private session as often as is considered necessary, one of which will be to formally assess the CEO’s effectiveness.

7.2 Frequency, time, place and attendees

a) Unless otherwise constituted, the Board will meet on a monthly basis not including January and December, normally on the last Monday of the month consistent with the calendar set out herein.

b) Alternatively, a Board meeting can be convened when:

- the Board or Chair determine and/or;
- three (3) Directors call for a meeting.

In such situations, a minimum of seven (7) days’ notice must be given.

c) The meeting will occur in the Sundale Boardroom or other locations as determined by the Board and will normally run from 4.30pm until 8.00pm.

d) Attendees will comprise all Directors, the CEO as well as Executive Management Team members or other parties invited by the Board.

7.3 Monthly Cycle

The monthly cycle for Board meetings is indicatively:

Item	Days Prior to Meeting
Draft agenda prepared by the Company Secretary and provided to the Chair and CEO	14
Full agenda finalised and confirmed by Chair	10
All papers circulated to Board meeting attendees	7
Draft minutes sent to Chair	2 days after meeting
<i>NB: This is an indicative cycle, which needs to be fitted to each month.</i>	

7.4 Flying Minutes

a) Any urgent decision that cannot wait until the next Board meeting can be dealt with through a “Flying Minute” which in essence is intended to be a teleconference or a meeting by email (an e-Meeting).

- b) Under an e-Meeting all Directors shall be notified via email of the issue(s) to be considered along with any supporting documentation, including the motion or recommendation upon which a vote is required.
- c) The requirements relating to Director “conflict of interest” considerations shall apply to all such meetings as if it was a normal Board meeting.
- d) Votes on the motion or recommendation are to be returned via email to the Company Secretary or designate within the prescribed time, at which time he / she shall advise Directors of the result of the vote by return email.
- e) The outcome of the vote shall be noted at the next available Board meeting and minuted accordingly.

7.5 Contact

As there is the occasional need for Directors to be contacted urgently, Directors should leave with the Company Secretary any contact details, either for themselves or for a person who knows the location of the Director, so that Directors can be contacted within 24 hours in cases of a flying minute or other business.

8 THE BOARD MEETING AGENDA

- 8.1 An agenda will be prepared for each Board and committee meeting. The CEO in consultation with the Chair as required should prepare the Board meeting agenda, which will generally follow the format outlined below:
- 01 Meeting Opening
 - 02 Matters for Decision (including receiving formal Committee recommendations)
 - 03 Matters for Discussion (including receiving formal Committee reports, where no formal recommendations for decision are required)
 - 04 Management Presentations
 - 05 Matters for Noting
 - 06 Meeting Finalisation
 - 07 Board In-Camera Session
- 8.2 Matters Arising from the Minutes – Included under “Meeting Opening”
- a) This will normally cover any item from the previous minutes about which any Director requires further information or a progress report and which will not be raised in the main body of the meeting.
 - b) In the first instance the Chair will flag matters for reporting.
 - c) At the end of the Chair’s flagged “Matters Arising”, any other Director is free to raise any item.
 - d) Items will either be dealt with as raised, or it will be noted where in the agenda the item is planned to be discussed.
 - e) Each item raised and the response will be recorded in the minutes and / or on the action sheet for the meeting.
- 8.3 Management Report
- a) The Management Report is a key component of the Board meeting. It is through this report that Directors are kept apprised of Sundale’s operations and activities. It also serves as major documentary evidence of the extent to which Directors have asked to be kept informed and were kept informed of Sundale’s activities.
 - b) The Management Report is provided in a written format and expanded verbally by the Chief Executive Officer at the meeting. The written report must be included with the Board papers and circulated seven (7) days before the meeting.
 - c) Should the format or content of the Management Report be deemed insufficient for the needs of the Board, the Chair will propose and discuss any required amendments with the CEO.

- d) It is envisaged that the Chief Executive Officer will delegate the writing of various sections of the report; however if a decision is required on any aspect of the Chief Executive Officer's report that is not included elsewhere in the agenda, the report will contain the recommended resolution.
- e) The resolution accompanying the Management Report is:
"The management report for 'month, year' be received and adopted".

8.4 Board Committees – Included under "Matters for Discussion"

- a) Where the Board has established committees, these will report as appropriate to the Board on progress.
- b) These reports will be written, although it is not expected that they be lengthy, except if a major decision is required.
- c) Where a decision of the Board is required, a written recommended resolution will be included with the papers.

8.5 Board Papers

- a) The Chief Executive Officer is responsible for the collation and circulation of Board papers.
- b) All Board papers must be circulated to Directors a minimum of seven (7) days before the Board meeting.
- c) No papers requiring consideration or decision can be tabled at the Board meeting, except with the unanimous resolution of the Board.
- d) At a minimum, and unless the meeting is for a specific purpose (e.g. presentation of the Budget submission), Board papers must contain:
 - Agenda;
 - Minutes of the previous meeting;
 - Major Correspondence;
 - Management Report;
 - Any information of interest to or in support of the Board fulfilling its fiduciary duty; and
 - Any Board submissions requiring decisions.

9 BOARD MINUTES

- 9.1 Board minutes shall contain a brief review of the discussion plus the official resolution adopted by Directors. Board minutes are not intended to be a transcript of the meeting, however, should be of sufficient detail for an interested party to comprehend the subjects discussed, a general understanding of points raised and answered, and clarity around actions determined, resolutions reached, or decisions made.
- 9.2 All decisions will be recorded by means of a formal resolution.
- 9.3 Directors who dissent can ask to have their decision noted in the minutes. Should any Director abstain from a vote due to Conflict of Interest issues, such shall also be recorded in the minutes.
- 9.4 Minutes will be prepared in draft form under authority of the Chief Executive Officer and provided to the Chair for review generally within two days of the meeting.
- 9.5 As soon as possible after the Chair has accepted the draft minutes they are to be circulated to the Directors.
- 9.6 The draft minutes are then provided in the next set of Board papers and once the minutes have been adopted by the Board they cannot be amended.
- 9.7 All notes taken at the meeting that were used to complete the draft minutes are destroyed once the Board has adopted the minutes.
- 9.8 The Company Secretary will require that the Company maintain a complete set of Board papers at Sundale's main administration office.
- 9.9 Implications of any decisions of a policy nature will also be actioned via appropriate amendments in Sundale's policies, and it is automatically deemed that the Chief Executive Officer is authorised to take such action.

10 BOARD AND COMMITTEE ANNUAL CALENDAR

- 10.1 At the commencement of each calendar year the Board will set a Board and Committee programme for the following year. The programme will detail the reporting requirements and activities to be conducted by the Board and its Committees in order to meet the corporate governance requirements of the organisation.
- 10.2 The Board typically meets ten times per year on the last Monday of each month, except December and January, however this can be varied subject to need and the timing of activities and reporting. The Board may consider meeting on less occasions if it so determines.
- 10.3 Each Board Committee will meet at least four times per year on an approximate quarterly basis however the timing and the need for additional Committee meetings will be determined by the Committee Chairs subject to any activities required by the Board.
- 10.4 Committee meetings will be held approximately two weeks prior to the corresponding Board meeting in that month so as to allow for Committee reports to be provided to the Board as part of the Board papers for that meeting.

11 BOARD COMMITTEES

11.1 The Board may establish Committees and/or working groups to assist the Board in fulfilling its duties and responsibilities. The Board will have the following committees:

- a) Board Executive;
- b) Audit, Finance and Risk;
- c) Corporate Governance;
- d) Clinical Governance; and
- e) Infrastructure and Development.

All Committees shall develop their respective “Terms of Reference” which shall be considered and approved by the Board at the July Board meeting each year.

Membership of Committees will be determined from time to time with the endeavour to spread the representation as evenly as possible across all Board Members.

The Chief Executive Officer will attend all Committee meetings and the relevant Executive Manager will attend those Committee Meetings related to the Executive Manager’s function. The Chair, if not a member of the Committee, may attend Committee meetings in the role of Board Chair.

11.2 Board Executive Committee

The Board Executive Committee will consist of the Chair and Deputy Chair, and will be an ad hoc committee, meeting as required, rather than a standing committee. The committee will meet as required (or if a meeting is called by a member of the committee or the CEO) and is responsible for:

- a) The performance review of the CEO;
- b) Providing a sounding board for the CEO; and
- c) Any other matters considered relevant.

11.3 Audit, Finance and Risk Committee

The Audit, Finance and Risk Committee will consist of up to three (3) Directors, will meet as scheduled by the Committee and is responsible for:

- a) Risk management oversight through
 - Monitoring corporate risk;
 - Monitoring internal financial controls; and
 - Reviewing insurance matters.
- b) Performance oversight through
 - Monitoring the budget and Company financial performance;
 - Reviewing the nomination of the external auditor;
 - Receiving the report of the external auditor; and
 - Monitoring the management of cash and other assets.

The CEO and / or the CSM will normally be present for part of these meetings. The committee will meet independently with the external auditors at their discretion, usually in preparation for the annual audit, and in receiving the annual audit report.

11.4 Corporate Governance Committee

The Corporate Governance Committee will consist of up to three (3) Directors and will:

- a) Ensure policies for Director and Senior Executive remuneration;
- b) Make specific recommendations to the Board on remuneration of Directors;
- c) Devise criteria for Board membership;
- d) Identify specific individuals for nomination to the Board;
- e) Make recommendations to the Board for new Directors and membership of the committee(s);
- f) Ensure that the Board is meeting its Governance responsibilities and arrange to conduct the annual Board self-assessment;
- g) Assist the Chair in advising Directors about their performance, education and possible retirement; and
- h) Oversee Board and Senior Executive succession plans.

The CEO will normally be present for part of these meetings.

11.4 Clinical Governance Committee

The Clinical Governance Committee will consist of up to three (3) Directors and will:

- a) advise the Board on matters relating to clinical governance practices and engagement;
- b) oversee clinical governance within Sundale providing enabling structures, processes and practices, quality standards, principles and a framework for accountability with regard to clinical engagement undertaken by Sundale;
- c) direct and monitor due diligence and duty of care within clinical environments operated by Sundale;
- d) foster staff engagement and interface within clinical environments;
- e) direct and monitor the viability and quality of clinical engagement and
- f) foster relationships with third parties to optimise opportunities for staff related learning experiences.

The CEO will normally be present for part of these meetings.

11.5 Infrastructure and Development Committee

The Infrastructure and Development Committee will consist of up to three (3) Directors and will:

- c) Be the sounding board and to provide an initial response to the CEO for development project opportunities identified by the CEO;
- d) Articulate a Board vision, goals, objectives and targets for development projects;

- e) In consultation with the CEO undertake an annual review, including a scan of competitor and consumer trends, to identify asset upgrade and development priorities and goals for the following five years;
- f) In consultation with the CEO conduct a comprehensive annual real property portfolio audit to identify key financial and non-financial risks and opportunities;
- g) Monitor the performance by management of a comprehensive inventory and development-timeline with defined milestones for each development project;
- h) In consultation with the CEO establish short and long term priorities for development projects to optimise capital allocation and return on assets;
- i) In consultation with the CEO establish a process to review, at least annually the adequacy of internal staff resources and the performance of external consultants to ensure that management is able to meet targets for development projects;
- j) In consultation with the CEO establish and maintain a framework for reporting and monitoring development projects through meaningful financial and non-financial key performance indicators; and
- k) Establish with the CEO a procedure to monitor each development project via monthly reporting and six (6) monthly project reviews focusing on financial performance, value management, key issues and milestones, risks and opportunities.

12 DELEGATIONS AND REFERRAL

12.1 The Board, through the approval of the Financial Authority Matrix and the Human Resources Authority Matrix, delegates responsibility throughout the Company. This section of the Corporate Governance Plan applies to any issues that are outside of the delegations contained within the relevant Authority Matrices.

12.2 Decisions reserved to the Board

The following decisions must be referred to the Board for approval:

- a) Authorisation of the Authority Matrices;
- b) Budgets (including detailed background papers);
- c) The details of any proposed appointment of any Executive Management Team member whether budgeted or not. This includes approval to make the appointment and approval of the proposed person to be appointed;
- d) Any capital or project expenditure in excess of the approved aggregate budget allowance;
- e) Any new initiative in excess of the approved budget allowances;
- f) Any major departure from established policy including marketing, human resources, or financial including credit control and operations;
- g) Any proposed change in strategic direction; or
- h) Policies that are deemed to be subject to Board approval.

13 PERFORMANCE MONITORING

13.1 Performance Indicators

The Board shall ensure that reporting functions required of the CEO address the performance indicators determined by the Board. It is noted that many issues outlined are covered through the Authority Matrices, or the Monthly Report.

Any specific additional requirements that the Board may have will be requested and discussed through the Chair with the CEO.

13.2 Compliance

- a) The CEO is charged with implementing appropriate compliance systems within the Company, aspects of which may be delegated.
- b) In particular, the CEO is responsible for ensuring the Company is meeting its legal and regulatory requirements under all relevant laws and regulations and will notify the Directors of any issue or concern.
- c) The CEO will report exceptions to compliance where material at each Board meeting.
- d) Areas for coverage include but are not limited to exception reporting on matters involving:
 - Aged Care Quality Standards;
 - ASIC / ACNC requirements and compliance issues;
 - Financial (including short-term solvency and long-term sustainability);
 - Workplace health and safety;
 - Environment;
 - Taxation requirements or ATO compliance issues;
 - Trade practices;
 - Award and other workplace agreements;
 - Insurance;
 - Privacy.

13.3 Risk Analysis

- a) The CEO is charged with implementing appropriate risk systems within the Company reflecting the Risk Management Framework.
- b) The Board, through the Audit, Finance and Risk Committee, is responsible for ensuring the Company has an effective Risk Management Framework.
- c) Any issues of concern in relation to corporate risk will be raised at each Board meeting. Reporting shall be on an exception basis and focused upon those risks

with a residual rating of “extreme” however management will continue to monitor residual rating of “high” and advise unforeseen developments.

13.4 Customer Care

- a) The CEO is charged with implementing appropriate systems within the Company to ensure Sundale provides care and services in line with Sundale’s Clinical Governance Framework and benchmarked to the requirements of the Aged Care Quality Standards reflecting the following:
 - providing safe, inclusive and quality, care and services across the Company;
 - engaging with Sundale’s consumers in the development, delivery and evaluation of its care and services and providing mechanisms for feedback and complaints;
 - providing Sundale’s staff, particularly senior officers and those directly engaged in the provision of care and services to customers, with opportunities for continuous improvement.
- b) The Board, through the Clinical Governance Committee, is responsible for ensuring the Company has an effective Clinical Governance Framework.

13.5 Information Technology

- a) The CEO is charged with implementing appropriate information technology systems within the Company to support the delivery of Sundale’s services in accordance with the requirements of Sundale’s Information Technology Framework.
- b) The Board, through the Infrastructure and Development Committee, is responsible for ensuring the Company has an effective Information Technology Framework.

14 STRATEGY FORMULATION

- a) The Board is to be involved in the development and approval of the corporate strategy.
- b) A corporate strategy document will be formulated for a period of not less than three (3) and not more than five (5) years and shall be subject to annual review.
- c) In conjunction with the Sundale Executive Management Team, the Board will be fully involved in the development of the strategic plan.
- d) Progress on the strategic plan will comprise part of the Board's annual calendar.
- e) The strategic planning cycle is:
 - The Executive Management Team will review the first half performance of the Company against the budget and the strategic direction, and propose any updates to the strategic plan for the Board's consideration;
 - The February Board meeting will receive these recommendations and make a determination on any alterations to the strategic direction, and such alterations will be taken into account in the preparation of the budget for the following financial year;
 - The Board shall, at the March meeting, advise the CEO of any other aspects that it wishes to be taken into account in the budget planning cycle; and
 - The Board shall make a determination on the proposed budget at its May Board meeting.

A one (1) or two (2) day retreat may be held if required by the Board to formally review and update the Sundale Strategic Plan.

15 DIRECTOR PROTECTION

15.1 Information Seeking Protocol

Directors will adhere to the following protocol when seeking information:

- a) Approach the CEO;
- b) If this is unsuccessful, discuss the issue with the Chair;
- c) If a resolution is still not forthcoming, write a letter to all Directors and the CEO detailing the information required, purpose of the information, and who the Director intends to approach in order to obtain the information; however
- d) A decision responding to the access question is concluded when voted upon at a Board meeting, with consequent and appropriate follow up action concluded.

15.2 Indemnification of Directors and Access

- a) The Constitution indemnifies each Director to the fullest extent permitted by law.
- b) In addition, all Directors are assured through:
 - The Company Secretary ensuring that a complete set of Board papers for access by Directors is held for a period of at least seven years;
 - Directors being entitled to access papers relevant to their term as a Director on request, even if they have ceased to be Directors;
 - All documentation containing or seeking legal advice on matters relating to the interests of the Directors clearly stating that the legal advice is sought both in relation to the Company and to the Directors in their personal capacity; and
 - The Company maintaining each Director's 'Directors and Officers Insurance' for seven (7) years from the date at which they ceased to be a Director.

16 BOARD PERFORMANCE EVALUATION

- 16.1 The Corporate Governance Committee under the guidance of the Chair shall develop and maintain a Board evaluation process, including evaluation of Committee performance and effectiveness and be responsible for ensuring compliance and reporting of same.
- 16.2 The Board shall conduct an annual evaluation of its performance under the auspices of the Corporate Governance Committee. An independent external assessment will be carried out as determined by the Board. The finding of this review will be tabled not later than the July Board meeting in the applicable year.