

Bridge Housing Limited Board Charter

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1. Preamble

This Board Charter (**Charter**) sets out the role, responsibilities, structure and processes of the Board of Bridge Housing Limited.

1.1 Introduction

Bridge Housing Limited provides housing to low and moderate income households in a region with the lowest levels of affordable housing in Australia. Bridge Housing Limited began as the South West Inner Sydney housing Cooperative (SWISH) in 1985. In 1993, SWISH absorbed the Inner West Housing Association, in 2001 acquired the Darlinghurst Area Community Housing Scheme and in 2008, Burwood Area Community Housing. Bridge Housing Limited was incorporated as a Company Limited by Guarantee in March 2009 and then amalgamated with the Eastern Suburbs Rental Housing Association in April 2009.

Over the three years to 2011 our portfolio has grown from 650 to 1500 properties. Our portfolio will increase through the vesting of the Nation building Economic Stimulus properties and our successful tenders for the redevelopment of two public housing estate in Glebe and Seven Hills.

Bridge Housing is a Public Benevolent Institution with Deductible Gift Recipient Status.

1.2 Vision

To be one of Australia's pre-eminent non profit providers of quality, affordable housing.

1.3 Mission

To build sustainable communities through the provision of affordable housing for low to moderate income earners.

1.4 Values

1. We are a **SOCIALLY RESPONSIBLE** organisation with a commitment to social inclusion and improving the lives of the people and communities we support. We seek sustainable and environmentally responsible ways to fulfil our mission.
2. We are a **PEOPLE FOCUSED** organisation. We keep our applicants and residents' needs at the core of all activity and decisions, empathise with their needs and deliver our services with fairness, respect and sensitivity. We value and support our employees to enable them to perform at their best and achieve their full potential.
3. We are **COMMITTED** and **PASSIONATE** and put our hearts and minds into our work. We value and encourage innovation and continually seek to improve our performance.
4. We **BUILD RELATIONSHIPS** based on trust and respect to create positive outcomes for the people and communities we serve.
5. We act with **PROFESSIONALISM** and **INTEGRITY**. We take responsibility for our decisions and actions and provide a consistent high quality service. Our decisions are based on sound judgement and our culture engenders good governance, transparency and honesty.

2. Board Role and Responsibilities

2.1 Role of Board

The Role of the Board is to provide strategic guidance for Bridge Housing Limited and any controlled entities and effective oversight of management. The Board is the custodian of the founding purpose for which Bridge Housing Limited was established and is accountable to members for pursuit of that purpose and the performance of the Bridge Housing Limited.

2.2 Performance and Teamwork

In performing its role the Board aspires to high governance standards. The Directors are expected to adhere to the Bridge Housing Limited's Governance Principles. Our Corporate Governance Principles are derived from the ASX's *Corporate Governance Council Principles of Good Corporate Governance*. Although Bridge Housing Limited is not a listed entity the Bridge Housing Limited board believes that this provides a robust framework for Bridge Housing Limited's Governance. This requires the Board to work as a team and meet on a regular basis.

2.3 Duties

Directors are required to be familiar and comply with the duties to which they are subject to under the Corporations Act and otherwise at law, and act according to our Corporate Governance Principles including the duty to act in good faith in the best interests of Bridge Housing Limited.

2.4 Key Responsibilities

The key responsibilities of the Board are as follows:

- Approving the strategic direction of the Bridge Housing Limited including corporate strategic and performance objectives;
- Approving Bridge Housing Limited's annual budget and financial statements and monitoring financial performance against approved budget;
- Selecting, appointing, determining the terms of appointment of the Chief Executive. Determining the goals and objectives relevant to the remuneration of the Chief Executive and evaluating the performance of the Chief Executive in the light of those objectives;
- Approving and reviewing succession plans for the Chief Executive and executives who report directly to the Chief Executive;
- Approving the appointment and removal of executives who report directly to the Chief Executive;
- Approving individual remuneration levels for executives who report directly to the Chief Executive and any other person the Board determines and monitoring the performance of such executives;
- Monitoring the performance of Bridge Housing Limited and effectiveness of its risk management systems, including compliance with regulatory requirements and satisfying itself through appropriate reporting and oversight that appropriate internal and external control mechanisms are in place and are being implemented;
- Selecting, appointing and removing the external auditor, including evaluating the auditor's performance and ongoing independence;

- Approving and monitoring major capital projects and significant capital management initiatives, acquisitions, divestitures and encumbering of Bridge Housing Limited assets;
- Assessing and determining whether to approve any matter beyond the approval delegations provided to management;
- Providing oversight and monitoring of occupational health and safety issues in the Bridge Housing Limited and considering appropriate OH&S reports and information;
- Overseeing management systems for ensuring the activities of Bridge Housing Limited are conducted ethically and transparently and in accordance with the Code of Conduct;
- Overseeing development of policies governing Bridge Housing Limited operations and considering the social, ethical and environmental impacts.

3 Individual Directors

3.1 Decision Making

Directors should bring an independent judgment to bear on Board decisions and question, request information or raise any issue which is of concern to them so as to canvas fully all aspects of any issue before Bridge Housing Limited.

Directors cast their vote on any resolution according to their own judgment. Outside the Boardroom, Directors support the letter and spirit of Board decisions.

3.2 Confidentiality

Directors will keep confidential Board discussions, deliberations and decisions which are not publicly known. Confidential information received by Directors in the course of the exercise of their duties remains the property of the Bridge Housing Limited unless that disclosure has been properly authorised or is required by law.

3.3 Director Independence

No executive or employee of Bridge Housing Limited, including the Chief Executive Officer, can be the Chairman or a Director on the Board of Bridge Housing Limited.

All Directors of Bridge Housing Limited must be independent. The Board assesses whether each Director is sufficiently independent. Each Director will supply the Chairman with all information reasonably requested that may be relevant to this assessment.

3.4 Code of Conduct

Directors will comply with the Bridge Housing Limited Code of Conduct and are expected to act ethically at all times whilst undertaking their duties.

3.5 Conflict of Interest

Directors are obliged to comply with Bridge Housing Limited's Conflict of Interest Policy. Conflicts may be real or perceived involving personal interests or the interests of any associate. Such conflicts will be recorded in the minutes of the meeting and be added to a

conflict of interests register kept by the Company Secretary. Directors will complete a Conflict of Interest Register annually.

3.6 Independent Advice

Directors, with agreement of the Chairman, may seek independent advice at the expense of Bridge Housing Limited on any matter before the Board for consideration.

3.7 Letter of Appointment

Directors will be engaged through a letter of appointment setting out the details required in the Appendix 1 to this Charter.

4 Board Chair

4.1 Chair

The Board will appoint one of its members to be the Chair in accordance with the Bridge Housing Limited Constitution. If the Chair is absent from a meeting, the members present must select one of the members present to act as Chair.

4.2 Representation

The Chairman:

- (a) represents the Board to members of Bridge Housing Limited and where appropriate to communicate the Board's position; and
- (b) advocates and promotes the interests of Bridge Housing Limited as a whole in relations with members and other stakeholders.

4.3 Role

The Role of the Chairman is to facilitate the effective contribution of all Directors and promote constructive and respectful relations between Directors and between the Board and management. In particular the Chairman:

- Provides leadership to the Board enabling efficient organisation and conduct of the Board's processes;
- Manages the relationship between the Chief Executive and the Board;
- Oversees the Board agenda and provision to Directors of timely, relevant information to assist them to be effective members who fully participate in Board activities;
- Manages the business of the Board by presiding over meetings, resolving differences between Directors and seeing that decisions are reached promptly;
- Recommends to the Board for consideration the membership, chair and functions of Board sub-committees;
- Guides and promotes on-going effectiveness and development of the Board and individual Directors; and
- Monitors Board performance.

5. Board Subcommittees

5.1 Appointment

The Board appoints Board Committees to assist the Board in particular areas. The Board may delegate responsibility to a Board committee consistent with Bridge Housing Limited Constitution. The Chair of a subcommittee is appointed by the Board.

5.2 Standing Committees

Bridge Housing has established three standing committees; Finance, Risk and Audit Committee; Asset and Procurement Committee and Human Resources and Nominations Committee. Other Committees may be established as required.

Each committee has a Terms of Reference and their functions are outlined below.

- Finance, Risk and Audit Committee provides strategic advice on Bridge Housing Limited's financial integrity and position, external and internal audits, adequacy of risk management plan, internal controls and insurance and compliance with contracts, laws and regulations.
- Asset and Procurement Committee provides strategic advice on Bridge Housing Limited's asset management plans.
- Human Resources and Nominations Committee to provide strategic advice on Bridge Housing Limited's workforce recruitment, retention and development and recommend future Directors.

5.3 Committee Charters

Board committees operate in accordance with a Board approved Charter and Bridge Housing Limited's Constitution. Committees of the Board consist of non-executive directors and may contain persons outside the Board and management of Bridge Housing Limited with appropriate skill, knowledge and experience relevant to the Committee's objectives.

5.4 Committee Chairs

The Chair of each committee will report any matters of substance to the next Board meeting. A copy of all sub-committee minutes will be provided to the Board for discussion and noting.

6 Board Administration & Procedures

6.1 Board Composition

The size of the Board will be determined in accordance with Bridge Housing Limited's Constitution.

6.2 Powers & Delegation

The Board is empowered to manage the business of Bridge Housing Limited and may delegate its powers to the Chief Executive. The Schedule of Delegations will set out the powers delegated and applicable threshold limits. The Board may by resolution change any delegated power by increasing, reducing, adding or removing specific powers and authorities. The Schedule of Delegations are maintained by the CEO.

6.3 Company Secretary

The Company Secretary is responsible to the Board through the Chairman on all governance matters and supports the effectiveness of the Board by monitoring Board policy and procedures are followed and coordinating completion and dispatch of Board agendas

and briefing papers. A register will be kept by the Company Secretary of all charges over the assets of Bridge Housing Limited.

6.4 Meeting Procedures

The Board should hold sufficient scheduled meetings to discharge all the duties as set out in this Charter and meet at least six times annually. Meetings in addition to those scheduled may be held at the written request of a Board Member to the Company Secretary.

6.5 Attendance

Directors must attend all scheduled meetings of the Board including meetings called on an ad-hoc basis for special matters, unless prior apology, with reasons, has been submitted to the Chairman or Company Secretary. Directors may attend and be present physically or by electronic communication means. Members of senior management and professional advisors may attend meetings by invitation. The Chief Executive Officer has a standing invitation to attend.

6.6 Non executive sessions

The Chairman shall arrange for an opportunity for Board members to meet without any management representatives present.

6.7 Agenda

A detailed agenda together with supporting documentation must be circulated to Board Members and other attendees no less than five working days prior to each meeting. Board Members should prepare thoroughly for Board meetings to be able to provide appropriate and constructive input on matters for discussion.

6.8 Quorum

The Quorum for board meetings is established by the Bridge Housing Limited Constitution. Individuals invited to attend Board meetings may participate in discussions but do not form part of the quorum.

6.9 Voting

Each Director present may vote on any matter raised before the Board for resolution. In the event of a tied vote, the Chairman has a right to a second vote as a casting vote.

6.10 Minutes

Draft minutes of meetings held shall be provided to all Directors within a fortnight of the closure of the meeting for review. The Chairman signs final minutes after they are presented to the next scheduled meeting and are formally approved by Board Members.

6.11 Insurance

A register of Insurances for the Bridge Housing Limited shall be kept by the Company Secretary and be made available to the Board of Directors upon request.

6.12 Powers of Attorney

A register of Powers of Attorney approved by the Board shall be kept by the Company Secretary and be made available upon request.

7. Chief Executive Officer

7.1 Role of Chief Executive

The Chief Executive Officer is responsible for the development of the strategic objectives for Bridge Housing Limited and achievement of operational and budget results.

7.2 Responsibilities

Management of the Bridge Housing Limited's day to day operations is undertaken by the Chief Executive Officer, subject to specified delegations of authority approved by the Board, and includes the following:

- Exercising leadership and executive stewardship of Bridge Housing Limited resources in a transparent, sustainable, socially and environmentally responsible manner;
- Developing, proposing, executing and delivering the strategic objectives agreed with the Board;
- Reporting regularly to the Board with appropriate, timely and quality information so the Board can discharge its responsibilities effectively;
- Recommending to the Board significant operational changes and major capital expenditures where these are beyond delegated thresholds;
- Assigning responsibilities clearly to senior management and overseeing establishment of effective risk management and internal control systems;
- Recruiting, developing and retaining talented people to work in Bridge Housing Limited and establishing a strong executive management team which is fairly and fully evaluated;
- Communicating throughout Bridge Housing Limited the strategic objectives, vision and values and ensuring these are achieved in practice; and
- Representing, communicating and advocating on Bridge Housing Limited 's behalf to external stakeholders and the community.

7.3 Referral to Board

Any matters or transactions outside the Delegations of Authority must be referred to the Bridge Housing Limited Board for approval.

7.4 Senior Executive Management

The role of the senior executives is to support the Chief Executive and manage the administration and operations of Bridge Housing Limited in their field of expertise. Their functions are contained in a formal statement of duties. The results of performance evaluation of executive leaders are furnished to the Board by the Chief Executive at least once per annum for review and monitoring by the Board.

8. Evaluation Induction and Review

8.1 Mix of Experience and Skills

Collectively, Board members should have a broad range of financial and other skills, experience and knowledge necessary to guide the business of Bridge Housing. The broad range of skills are established in the Bridge Housing Limited Constitution in *Cl 1 Definitions and Interpretation Qualified Person*.

8.2 Annual Review

The Board will determine and regularly review the composition of the Board having regard to the mix of skills and experience of individual Directors and duration of the terms served by Directors.

8.3 Induction & Education

New Directors will undertake an induction program to familiarise themselves with Bridge Housing Limited 's activities. Continuing education and mentorship is available to ensure that Directors can maximise their contribution to strategic direction and successful operation of the Group. All Directors are encouraged undertake and complete the Australian Company Directors Course within the first year of their directorship. Bridge Housing will also provide \$2,000 per annum for Directors Training.

8.4 Evaluation

An evaluation of the Board, its committees and individual Directors including the Chairman will be performed annually. Evaluation questionnaires will be prepared by the Company Secretary or a 3rd party where appropriate. Directors seeking re-election will undertake a facilitated assessment and review of performance within 3 months of the Annual Meeting at which they may be considered for re-election.

8.5 Charter Approval

This Charter was approved by the Board on 5 December 2011 and is due for review on or before December 2013.

Appendix 1

Content of a Director's Letter upon Appointment

- Term of appointment
- Time commitment envisaged
- Any special duties or arrangements attaching to the position
- Expectations regarding involvement with committee work
- Remuneration and expenses
- Requirements to disclose directors' interests and any matters which affect the director's independence
- Fellow directors
- Induction training and continuing education arrangements
- Board policy on access to independent professional advice
- Indemnity and insurance arrangements
- Confidentiality and rights of access to corporate information
- A copy of the Constitution
- An Organisation Chart/ Management structure
- A copy of the Strategic and Business Plan