

## Board Charter

### 1. Purpose of Charter

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The purpose of this Board Charter (**Charter**) is to explain the duties and responsibilities of the Directors of RSL LifeCare Limited (ACN 000 048 957) (the Company, **RSLLC**) and to assist Directors in understanding their role, Board processes and their relationship with:

- The member (RSL NSW); and
- Management.

### 2. Our Purpose

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RSLLC is a charity registered with the Australian Charities and Not-for-Profits Commission (ACNC). The objects of the Company (**Purpose**) are set out in the Constitution. Broadly, the primary purpose is to provide benevolent relief to persons suffering from ill health, disability, infirmity, homelessness or financial hardship, in particular, Veterans and older people.

RSLLC currently provides services through four main areas: retirement living; residential aged care (nursing homes); home care; and Veterans services. These services provide care to over 7,500 residents and clients with over 3,500 staff employed. The organisation operates in over 50 locations throughout NSW and the ACT.

### 3. Duties of Directors

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For the purpose of the ACNC Governance Standards (Governance Standards), the Company is the 'responsible entity' and the Directors of the Company are 'responsible persons'. The Directors must comply with certain core duties set out in Governance Standard 5, specifically:

- exercising the Company's powers and discharging the Director's duties with the degree of **care and diligence** that a reasonable individual would exercise if they were a Director;
- **acting in good faith** in the best interests of the Company, to further the purposes of the Company;
- not **misusing** the Director's **position**;
- not **misusing information** obtained in the performance of the Director's duties;
- disclosing perceived or actual material **conflicts of interest** including any **related party transactions**;
- ensuring the financial affairs of the Company are managed in a **responsible manner**; and
- not allowing the Company to **operate while insolvent**.

These duties, derived from common law and the Corporations Act, are in addition to a Director's fiduciary duties and other statutory duties which may apply to Directors. Directors are expected to familiarise themselves and comply with the Governance Standards .

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Next Review:        June 2022  
Version:              3  
Page:                 Page 1 of 8

## Roles and Responsibilities of the Board

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### 4. Role of the Board

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The Board is responsible for setting the overall culture, strategy and governance and monitoring the performance of the Company. The Board provides strategic guidance to the Company and effective oversight of management. The Board must ensure that the activities of the Company are consistent with its Purpose and comply with its constitution from which the Board derives its authority to act, and with all legal and regulatory requirements

### 5. Key Responsibilities

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The key responsibilities of the Board are as follows:

- (a) Articulating the Company's values, and purpose
- (b) Appointment and removal (where appropriate) of the Chief Executive officer (CEO) and determining the CEO's terms of employment including remuneration;
- (c) Reviewing and approving the Strategic Plan and the annual budget as proposed by Management;
- (d) Governance oversight of the Company including its control, accountability systems and frameworks;
- (e) Establishing and maintaining oversight of the Board's Delegation of Authority to Management;
- (f) Monitoring the Senior Management Team's performance and implementation (both individually and collectively) of the Strategic Plan and ensuring appropriate resources are available to achieve that Plan;
- (g) Ensuring accurate and timely financial reports of the Company are produced and approving the Company's financial statements and other statutory reporting;
- (h) Monitoring financial performance against the approved annual budget;
- (i) Developing and approving succession plans for the Board and the Board and Committee Chairs;
- (j) Approving and reviewing succession plans for the CEO;
- (k) Establishing and monitoring the performance of the Company's compliance, risk management and control systems, and ensuring that they are operating effectively, including through periodic reviews of policies, protocols and procedures developed in relation to the management of financial, operational, compliance and conduct risks;
- (l) Appointment and removal of the external auditor and regularly evaluating the auditor's performance;
- (m) overseeing Member and key stakeholder communications, reporting and information flows, and
- (n) implementing and maintaining an annual Board, Committee and Director performance and evaluation program.

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Next Review:        June 2022  
 Version:              3  
 Page:                 Page 2 of 8

## Role and Responsibilities of Key Personnel

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### 6. Chair of Board

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The Directors will appoint one of their number to act as Chair. The Chair is responsible for:

- (a) Leading the Board to facilitate the efficient and effective organisation and conduct of the Board's processes;
- (b) Setting the Board agenda and ensuring the provision to Directors of information they require to fully participate in Board activities so as to discharge their duties and responsibilities;
- (c) Briefing all Directors in relation to issues arising at Board meetings;
- (d) Chairing Board meetings by leading the Board in reviewing and discussing Board matters, enabling all Directors to contribute to Board deliberations, and facilitating resolution of differences between Board members so that decisions may be reached promptly;
- (e) Monitoring Board performance and, subject to the nomination and appointment process for Directors in the constitution, ensuring that membership of the Board is skilled and appropriate to the Company's needs;
- (f) Promoting constructive relations between Board members;
- (g) Managing the relationship between the CEO and the Board and promoting constructive relations between the Board and management;
- (h) Overseeing the regular evaluation of the performance of the Board, all Directors, the Board sub-Committees and the CEO;
- (i) Representing, and acting as a spokesperson on behalf of, the Board and the Company at external meetings and events;

The Chair of the Board has a second or casting vote at Board meetings where there is an equality of votes on any resolution. The Chair of the Board also has a casting vote at any general meeting if, on a show of hands or on a poll, the votes are equal. This casting vote is in addition to any vote the Chair of the Board may exercise as a member.

### 7. CEO

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The Board has appointed a CEO. The day to day management of the Company has been delegated to the CEO, subject to specified limits in the Delegations of Authority Register. The CEO's core responsibilities include the following:

- (a) Managing the day to day affairs of the Company;
- (b) In collaboration with the Board, developing the Strategic Plan and preparing the Annual Budget to support that Plan for final approval of the Board;
- (c) Reporting regularly to the Board with appropriate and quality information so the Board may discharge its duties effectively;
- (d) Ensuring that the Chair of the Board is kept informed of any material matters affecting the day to day operations of the Company;

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Next Review:        June 2022  
 Version:              3  
 Page:                 Page 3 of 8

- (e) Recommending to the Board any significant operational changes or major capital or operational expenditures, where these are beyond the delegated authority given to the CEO;
- (f) Leading senior management in implementing the Company’s compliance, risk management and control systems approved by the Board;
- (g) Preparing an annual report to the Board on the work and activities of the Company during the preceding 12 months for each financial year;
- (h) Promoting compliance with all Company policies and procedures by all persons working for the Company, including through the implementation of appropriate staff training and awareness programmes;
- (i) Representing, communicating and advocating the Company to external parties or other stakeholders and the community, in consultation with the Chair of the Board (where appropriate);
- (j) Appointing, developing and retaining individuals with appropriate skills, experience and passion to work for the Company and establishing a strong management team whose performance is regularly and fairly monitored and evaluated.

## 8. Company Secretary

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The Company Secretary is appointed by the Board and holds office until his/her services are terminated by the Board. The Company Secretary is accountable to the Board, through the Chair of the Board, on all corporate governance matters.

- (a) The Company Secretary will attend all meeting of the Board and Board committees, as required.
- (b) The key responsibilities of the modern Company Secretary, as listed in the “AICD Director Tools – Roles of the Company Secretary” publication, are:
  - (i) To organise Board and Committee meetings and confirm Director attendance;
  - (ii) Monitor compliance with Board policies and procedures including maintaining a register of company policies as approved by the Board;
  - (iii) Coordinate the completion and despatch of the Board agenda and other Board briefing materials;
  - (iv) Prepare the minutes of meeting and resolutions of the Board and to provide these to the Chair of the Board for circulation and approval;
  - (v) Circulate minutes from committee meetings to the Board; and
  - (vi) Record, and maintain the minutes of all general meetings of the Company and distribute the minutes as directed by the Chair of the Board;
  - (vii) Maintain the Conflicts of Interest Register;
  - (viii) Ensure the Company complies with its statutory reporting requirements (where applicable) to the ACNC, the Australian Taxation Office (ATO), ASIC, Department of Health (DOH) and any other regulatory body regarding the registered office, annual information statement and other compliance notifications or returns that require lodgement; and
  - (ix) Providing counsel on corporate governance principles and other Director liability matters.

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Next Review:        June 2022  
 Version:              3  
 Page:                  Page 4 of 8

## Delegation of Authority

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### 9. Delegations to committees

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The Board has power under the constitution to establish and delegate any of their powers to a committee of Directors supported by independent advisors where appropriate. The committee may consider certain issues in further detail and then report back to and advise the Board. The committee may also exercise such powers that are delegated to it.

Standing committees have been established by the Board and adopt charters setting out their authority, responsibilities, membership and operations. The current standing committees are:

- Asset & Property Development Committee
- Audit & Risk Committee
- Nominations Committee
- Quality & Safety Committee
- Transformation Committee
- Joint Working Group (with RSL NSW)

Directors who are not appointed to a committee may attend any committee meeting as an observer.

Committees will maintain minutes of their meetings and are entitled to obtain professional or other advice in order to effectively carry out their proper functions, such advice being sought subject to prior consultation with the Board Chair..

The Chair of each Committee will report to the Board on key initiatives discussed or items for approval at the next Board meeting.

### 10. Delegations of Management

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The Board has delegated to the CEO the authority to manage the day to day affairs of the Company subject to the limits specified in the Delegations of Authority (DOA) Register. The CEO has the power to sub-delegate his/her powers to other management and staff within the limits of his/her authority. The CEO sub-delegations are documented in the DOA Register. These authorisation levels have been established for the control of expenditure and commitments within the Company.

## Board Structure and Process

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### 11. Composition and Size

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The Board will comprise of between 5-9 Directors unless the Member determines otherwise. The number and composition of the Board should always be appropriate to the Company to ensure efficient decision making in furtherance of the Company's Purpose. All Directors (excluding the President of RSL NSW who is eligible to hold

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Next Review:        June 2022  
 Version:              3  
 Page:                  Page 5 of 8

office as Director ex officio) must have a level of professional experience relevant to the Company's activities.

The terms of appointment must comply with the Constitution.

The Company holds an Authority to Fundraise in NSW, in order to comply with the Authority Fundraising Conditions, the Board cannot comprise of more than one third of persons who are members of the same family.

## 12. Nominations, appointment and re-election

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Directors are appointed by the Member (RSL NSW) and will generally hold office until the conclusion of the 3rd annual general meeting after their appointment. The appointment process is set out in the constitution. In making appointments, RSL NSW will consider the recommendation of the Chair of the Board, the requirement that the Director has relevant professional experience and the period for which a Director seeking reappointment has previously held office.

Generally, Directors are appointed for 3-year terms and, subject to the constitution, may be re-appointed for a maximum of 3 consecutive periods of office.

The process for selection and appointment of a new Director to the Board is that, when a vacancy arises, the Nominations Committee advertises and identifies candidates with the appropriate skills, experience and expertise and makes recommendations to the Board. The Board then considers these recommendations and, through the Chair of the Board, makes a further recommendation to the Member (RSL NSW) who has the power to make appointments to the Board.

Directors will be expected to participate in induction or orientation programs on appointment, and continuing education or training.

## 13. Attendance at Board Meetings

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Directors are expected to prepare for a Board meeting by reading the Board papers and giving adequate thought and consideration to agenda items requiring discussion and/or approval and attend and participate at each Board meeting. All Directors are appointed as non-executive independent directors and as such must form their own independent views on matters for discussion and approval. Whilst Directors are encouraged to attend in person, there may be times where it is more appropriate to utilise electronic technology to allow reasonable opportunity for all Directors to participate in the meeting. This would typically be considered appropriate when Board meetings are called at short notice and/or are single agenda item meetings.

A Prior written apology, with reasons, should be provided to the Chair of the Board or Company Secretary where a Director is unable to attend a Board meeting.

A Director, despite non-attendance, continues to have responsibility as a board member of the Company and therefore maintains accountability as a Director.

The Board may request or invite management or external consultants to attend Board meetings, where

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Next Review:        June 2022  
 Version:              3  
 Page:                  Page 6 of 8

necessary or desirable to do so.

## 14. Conflicts of Interest

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It is a Director's responsibility to ensure the Register of Interests pertaining to his/her potential conflicts of interest is always kept up to date.

Directors must disclose any actual or perceived material conflict of interest in a matter, including any related party transaction, being considered at a meeting of Directors (or that is proposed in a circular resolution) in accordance with the constitution and comply at all times with the Conflicts of Interest Policy.

If a Director has a material personal interest in the matter being considered by the Board, that Director is prevented from being present at a meeting where the relevant matter is being discussed or voting on the matter, except in the circumstances where participation is allowed under certain conditions under section 195 of the *Corporations Act*.

The disclosure of an actual, potential or perceived conflict of interest by a Director must be recorded in the minutes of the meeting.

When a potential conflict of interest is brought to the attention of the Company Secretary prior to a board meeting, it is then prudent for the Company Secretary to conduct any relevant research to bring to the Board meeting and provide options and a recommendation to the Board for how the conflict could be managed.

Further guidance is provided in the Company Conflict of Interest Policy.

## 15. Confidentiality

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Confidential information received by the Directors in the course of the exercise of their duties remains the property of the Company.

Directors must keep Board discussions and resolutions confidential, except where they are authorised to disclose the matter or are required to make the disclosure by law.

## 16. Independent Professional Advice

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Directors may seek independent professional advice at the Company's expense. This may be sought only after prior consultation with the Board Chair.. This advice would typically be made available to all Directors.

## 17. Leave of Absence

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A leave of absence is used when a Director has requested, and the board has approved, an extended period of leave. Such leave could be for medical reasons, a sabbatical, long-service leave, etc. Approval is required in writing and must document the agreed time frame and payment during the leave of absence.

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Next Review:        June 2022  
Version:              3  
Page:                  Page 7 of 8

As the Director is not expected to attend Bboard meetings held during the leave of absence period, their non-attendance is not noted as an apology in the minutes of the meeting but will be recorded as the Director being on a leave of absence.

A leave of absence is limited to 90 days.

The Board can approve extensions to a leave of absence and will continue to make papers available to a Director on leave.

Directors remuneration will continue during a period of leave.

Directors considering a leave of absence should be aware that during the leave of absence they remain bound by Directors’ duties and liabilities under the Corporations Act, RSLLC’s Constitution, Board Charter and all RSLLC policies. Directors who continue to receive Board papers and receive a fee may legally be considered to have actively participated in board decision making.

Board and Committee chairs are required to delegate their chair role while on a leave of absence.

## 18. Work Health Safety

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The Board supports the document “Management Commitment to improving work health and safety performance within the Organisation (OHSPR01)”

Directors and the Company Secretary are “Officers” for the purposes of Work Health and Safety legislation and have specific duties to ensure that risks to health and safety occasioned by the operations of the business are either eliminated or minimized to the extent that is reasonably practicable. Officers also have specific duties outlined under the ‘due diligence’ provisions (S27 of the WHS Act 2011). Whilst Officers may delegate some WHS duties, they acknowledge that they are accountable for the operational implementation of all aspects of the Company’s work health and safety system. Officers are committed to improving the Company’s WorkSafe performance.

## 19. Review

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The Board is responsible for reviewing this Charter and the division of functions and responsibilities in the Company periodically to consider its appropriateness to the needs of the Company. This Charter may be amended by resolution of the Board.

This Charter was approved by the Board on 19 March 2020 and updated on 17 June 2021.

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Next Review:        June 2022  
 Version:              3  
 Page:                  Page 8 of 8