



# Aboriginal Housing Victoria (AHV) Governance Policy

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# Contents

- 1. Overview .....6**
- 2. Composition of Board .....7**
  - 2.1 Directors.....7
  - 2.2 Appointment and Term .....7
  - 2.3 Director induction and ongoing training .....7
  - 2.4 CEO .....7
- 3. Role of the Board .....8**
- 4. Board accountability.....8**
- 5. Board Functions.....8**
- 6. Board meetings .....8**
  - 6.1 Frequency and Quorum.....8
  - 6.2 Support and Minutes.....9
- 7. Board minutes .....9**
  - 7.1 Two steps .....9
  - 7.2 Record minutes within one month .....9
  - 7.3 Sign minutes within a reasonable time .....9
  - 7.4 Practice .....9
  - 7.5 Approval at next meeting .....10
  - 7.6 Circulating directors and members minutes .....10
- 8. Board reporting .....10**
- 9. Board authority in relation to management .....10**
- 10. Decisions requiring Board approval .....10**
- 11. Confidentiality .....11**
- 12. Board committees .....12**
- 13. Review of policy and Board and Committee operations .....12**
- 14. Chair of the Board .....12**
  - 14.1 Role.....12
  - 14.2 Appointment and Term .....12
- 15. Alternate Chair .....13**
  - 15.1 Role.....13
  - 15.2 Appointment and Term .....13
- 16. Chief Executive Officer .....13**
  - 16.1 Role.....13
  - 16.2 Accountability.....13
  - 16.3 Appointment and Term .....14
- 17. Company Secretary .....14**
  - 17.1 Role.....14
  - 17.2 Accountability.....14
  - 17.3 Appointment and Term .....14
- 18. Delegations .....14**
- 19. Media .....14**
- 20. Policy log .....15**

**Finance, Audit and Risk Committee Terms of Reference .....16**  
**Governance Committee Terms of Reference .....19**  
**Conflict of Interest Policy .....24**

## 1. Policy Purpose

This Policy sets out the AHV governance and Board management arrangements, being the framework of rules, relationships, systems and processes whereby authority is exercised and controlled within AHV.

## 2. Policy scope

This Policy is to be read in conjunction with the AHV Constitution and governing legislation. This Policy applies to the AHV Board.

## 3. Policy context

### 3.1 Cultural statement

The First Nation peoples of Australia have the oldest continuous cultures in the world. Aboriginal Housing Victoria celebrates and takes pride in the rich and spiritual culture, values and practices of Australia's First Nations peoples. We celebrate the significant contribution made by Aboriginal and Torres Strait Islander people and culture to the enrichment of Victorian society, and, we acknowledge and respect the special place of Victorian traditional owners as Victoria's First Nations peoples.

As an Aboriginal Community Organisation we acknowledge that our legitimacy is derived from the strong relationships we have with Victoria's Aboriginal communities and our success is through achievement of our shared vision and aspirations.

Our vision is that Aboriginal Victorians secure appropriate, affordable housing as a pathway to better lives and stronger communities.

We believe that achievement of our vision is through the provision of housing services which enhance the dignity of our clients and tenants and which respects and celebrates their cultural beliefs, values and practices.

Our policies and procedures are designed so that our practice and service delivery is in accord with this cultural statement.

### 3.2 Relevant Legislation

The key legislation relevant to this policy is the:

- *Corporations Act 2001 (Cth) (Corporations Act)*;
- *Income Tax Assessment Act 1997 (Cth)*;
- *Housing Act 1983 (Housing Act)*.

## 4. Responsibilities

Directors	To implement the policy
CEO	To oversee and monitor policy implementation and approve procedures to implement the policy
Board	To approve the policy, set strategy, monitor policy implementation and performance, and, review regularly and when necessary
Governance committee	To monitor and ensure effective governance of the organisation

## 5. Governance Policy

### 5.1 Overview

This Policy sets out the AHV governance and Board management arrangements, being the framework of rules, relationships, systems and processes whereby authority is exercised and controlled within AHV. It supplements the AHV constitution and the governing legislation and is designed to:

- ensure the AHV board of directors (Board) provides strategic direction and effective oversight of the management of AHV; and
- facilitates accountability as a registered housing agency to the Registrar and to its stakeholders.

### 6. AHV is:

- a public company limited by guarantee registered under the *Corporations Act 2001* (Cth) (**Corporations Act**);
- a registered housing agency under the *Housing Act 1983* (Vic) (**Housing Act**); and
- a public benevolent institution, entitled to tax concessions under the *Income Tax Assessment Act 1997* (Cth).

### 7. The principal instruments affecting the internal governance of AHV are:

- the constitution, which supplements the requirements of the Corporations Act, the Housing Act ; and
- the gazetted performance standards under the Housing Act (Performance Standards) and any guidelines made by the Minister under Part VIII of the Housing Act.

## 8. Board

### 8.1 Composition of Board

#### 8.1.1 Directors

- The Board comprises no less than 5 and no more than 7 directors.
- The Board will comprise individuals who have the skills and experience relevant to the pursuit of the AHV objectives in all or any of the areas of business, social housing, governance, law, accounting and communications.
- All directors must live in Victoria and a majority must be Aboriginal.

#### 8.1.2 Appointment and Term

All candidates for appointment as directors must be approved by the Board to ensure they:

- meet the general criteria for appointment; and
- have skills and experience relevant to the pursuit of the AHV objectives, in any or all of the areas of business, social housing, governance, law, accounting and communications.

A director is appointed for a term of approximately 3 years commencing at the end of the annual general meeting at which they were appointed and expiring at the end of the third annual general meeting after their election, at which time they will retire.

A retiring director is eligible for re-election, but may only serve a maximum of 3 consecutive terms without a break in service of at least 3 years.

#### 8.1.3 Director induction and ongoing training

The Chair will arrange an induction program for each new director including:

- the provision of a director induction kit;
- a meeting with AHV staff and a tour of the AHV office; and
- a meeting with the Chair.

Ongoing training needs will be considered within the annual review of board operations (see 8.12 below).

#### 8.1.4 CEO

The AHV Chief Executive Officer (**CEO**) is not a member of the Board. The CEO and Director responsible for executive support to the Board will normally attend all Board meetings except where access is restricted for a specific purpose, such as board discussion of CEO remuneration framework or performance review.

Other AHV staff will attend meetings by invitation.

## 8.2 Role of the Board

The role of the Board is to set the direction and oversee the operations of AHV and to carry out the AHV objects.

## 8.3 Board accountability

The Board is accountable to the members in general meeting for the conduct of the affairs of AHV, including compliance with the Performance Standards and the *Housing Provider Framework Lease and Property Management Agreement* or other lease agreement with the Director of Housing (Lease).

## 8.4 Board Functions

The primary functions of the Board are to:

- provide leadership and set the strategic objectives of AHV;
- appoint the Chair and the Alternate Chair;
- appoint and where necessary replace the CEO and monitor performance;
- approve the appointment and where necessary the replacement of other senior staff;
- oversee the operation of AHV, including management's implementation of the AHV strategic plan and its performance generally;
- provide input to and final approval of AHV major policies;
- provide input to and final approval of AHV corporate strategy and annual business plan;
- approve capital and operating budgets;
- oversee the integrity and AHV's accounting and corporate reporting systems including external audit;
- ensure the operation of appropriate systems of risk management and internal control, codes of conduct and legal compliance;
- approve the AHV remuneration framework;
- assess its own performance and composition on a regular basis, and
- monitor the effectiveness of the AHV governance practices.

## 8.5 Board meetings

### 8.5.1 Frequency and Quorum

The Board will hold at least 6 meetings a year and such additional meetings as the directors agree in order to perform its functions.

All Directors must attend at least 6 meetings a year unless the Board agrees to grant a 'leave of absence'.

A quorum consists of more than half the number of directors.

### **8.5.2 Support and Minutes**

The Chair in conjunction with the CEO will settle agendas for Board meetings. The CEO through the Director Executive Coordination will:

- arrange meetings;
- distribute agendas and supporting papers to directors at least 7 days before the relevant meeting;
- keep and distribute minutes of each meeting; and
- ensure that minutes and reports are provided to the Board.

## **8.6 Board minutes**

### **8.6.1 Two steps**

There are two distinct steps in formalising minutes of a meeting of directors or members. The first is to record the proceedings and resolutions as formal minutes and the second is for the chair to sign the minutes.

Failure to comply with either step is a strict liability offence under the Corporations Act. It will also result in the loss of the evidentiary assumption that a minute recorded and signed in accordance with the requirements is evidence of the proceeding, resolution or declaration to which it relates (s 251A(6) Corporations Act 2011).

### **8.6.2 Record minutes within one month**

Proceedings and resolutions of meetings of directors and members must be formally recorded as minutes of a company within one month of a meeting (s 251A (1) Corporations Act).

### **8.6.3 Sign minutes within a reasonable time**

Minutes of a meeting must be signed within a reasonable time after the meeting by either:

- the chair of the meeting; or
- the chair of the next meeting (s 251A (2) Corporations Act).

### **8.6.4 Practice**

Where monthly board meetings are held, the minutes are to be approved at the next meeting and then signed within the requisite one month.

Where more than one month will elapse between board meetings a draft of the minutes will be circulated to the directors for comment. The chair will then settle the minutes having taken account of any comments from directors and the minutes will then be finalised within one month of the meeting. The minutes are not signed at this point. Formal consideration and approval of the minutes will be undertaken at the next Board meeting.

### **8.6.5 Approval at next meeting**

At the next Board meeting, the directors may formally approve the minutes, which are then signed by the chair of that meeting. If at that meeting changes are required to the minutes, they can be approved and the chair authorised to sign the amended minutes. The original minutes and a copy with the amendments highlighted should be retained with the copy identified as the amended minutes. The minutes of the subsequent meeting are captured in the usual way.

This approach to amending the original minutes is only be appropriate for corrections such as clerical errors, omissions, misstatements or such like which are resolved by the Board as necessary to correctly reflect the proceedings and resolutions of the meeting. New matters or changing matters resolved at the preceding meeting must be separately resolved at the subsequent meeting.

### **8.6.6 Circulating directors and members minutes**

Where a resolution of directors (including a committee) or a resolution of members is passed by way of circulating resolution it must also be minuted within 1 month of being passed (s 251(A)(1)(d) Corporations Act. A minute of a circulating resolution must be signed by a director within a reasonable time after the resolution is passed (s.251A (3)).

## **8.7 Board reporting**

The Board will issue the following reports:

- directors' report, financial report and auditor's report annually to the members and the Australian Securities and Investments Commission , with a copy to be posted on the AHV website and other statutory reports including annual reports to ASIC; and
- reports to the Director of Housing and Registrar under the Housing Act and the Performance Standards, the Lease and any funding agreement to which the AHV is a party.

## **8.8 Board authority in relation to management**

The Board may exercise all the powers of the company except any powers that the Act or the constitution requires the company to exercise in general meeting.

The Board may seek explanations and additional information from AHV through the CEO and Chief Financial Officer in order to perform its functions. However, the Board should not assume management's operational responsibility for AHV policies, programs and activities.

## **8.9 Decisions requiring Board approval**

Decisions on the following issues are reserved to the Board, which will also determine whether or not member approval is also required:

- to approve or amend any budget or business plan or related policies or take any actions materially inconsistent with any approved business plan or budget;
- to enter into any new line of business or otherwise change the nature of the AHV enterprise, including by materially altering the scale of operations;
- to cease to carry on the AHV business or a substantial part of it;

- to make, modify or approve plans, practices, policies or procedures material to AHV governance outside the ordinary course of business;
- to enter into transactions or contracts in accordance with all requirements and financial delegations identified within the approved AHV Financial Delegations;
- to approve any transfer or sale or other disposal of any AHV asset in accordance with all requirements and financial delegations identified within the approved AHV Financial delegations
- to enter into a finance facility;
- to enter into or consummate any mergers, consolidations, reorganisations, recapitalisations, restructurings or other combinations, or sale of all or substantially all of the AHV assets or similar transaction;
- to make any change to the AHV regulatory status;
- to make any change to the AHV charitable tax status;
- to purchase insurance for the benefit of any officer or representative of AHV or another enterprise not otherwise explicitly contemplated by the budget;
- to make, amend or approve compensation or employee remuneration agreements outside the ordinary course of business;
- to make, amend or approve any decisions relating to a significant event or risk to the company outside the ordinary course of business;
- to enter into any agreement, contract or other arrangement that will or may adversely affect any AHV insurance policy;
- to commence or settle litigation in accordance with all requirements and financial delegations identified within the approved AHV Financial delegations;
- to materially change any of the tax, accounting, bookkeeping or record –keeping principles
- other than in the ordinary course of renewals and extensions of union agreements, to enter into or amend any industrial agreement; and
- to delegate any authority of the Board and any amendment to the terms of any delegation;

## 8.10 Confidentiality

Proceedings, papers and minutes of the Board are confidential and may not be disclosed without approval of the Board except where required to be disclosed by law.

Any regular and ad hoc release of information shall be consistent with the AHV Communication Strategy and a regular consideration of the Board.

Confidential information must only be released through a process outlined by the Board.

## 8.11 Board committees

The Board may establish and terminate Board committees under clause 28.3 of the constitution and set the terms of reference and appoint the members of such committees.

The Board has established the following standing committees:

- Finance, Audit and Risk Committee; and
- Governance and Remuneration.

## 8.12 Review of policy and Board and Committee operations

The Board will review and amend where appropriate this Governance Policy and the operations of the Board and its Committees each year.

## 8.13 Chair of the Board

### 8.13.1 Role of the Chair:

The Chair:

- provides leadership to the Board;
- sets the agenda for Board meetings in consultation with the CEO;
- may convene a meeting of the Board whenever he or she thinks fit;
- chairs Board meetings;
- does not have a casting vote at Board meetings;
- chairs general meetings of AHV;
- if acting as chair of a general meeting of AHV, has a casting vote in a poll;
- is the major point of contact between the Board and the CEO;
- promptly informs Directors of any significant matter that may effect AHV's reputation, viability or performance;
- ensures that all Directors contribute to discussions at Board meetings and that all Directors are reasonably satisfied with decisions made;
- is the primary representative of the Board in dealings between the Registrar and AHV; and
- chairs the CEO performance review.

### 8.13.2 Appointment and Term

At the first meeting of the Board after the annual general meeting, the directors appoint from among their number a Chair who holds office until the end of the next of the next annual general meeting, but who is eligible for re-election.

## 8.14 Alternate Chair

### 8.14.1 Role of the Alternate Chair

The Alternate Chair:

- substitutes for the Chair whenever the Chair is unable or unwilling to perform their functions;
- may convene a meeting of the Board whenever he or she thinks fit.
- does not have a casting vote at Board meetings; and
- if acting as chair of a general meeting of AHV, has a casting vote in a poll.

### 8.14.2 Appointment and Term

At the first meeting of the Board after the annual general meeting, the directors appoint from among their number an Alternate Chair who holds office until the end of the next of the next annual general meeting, but who is eligible for re-election.

## 8.15 Chief Executive Officer

### 8.15.1 Role of the CEO:

The CEO is responsible for:

- managing the operations of AHV in accordance with the corporate strategy, plans, budgets and policies approved by the Board;
- recruitment, appointment and removal of senior staff with Board approval; recruitment, appointment and removal of other staff and providing leadership for the development of professional excellence and high standards of conduct for AHV staff.
- advising the Board and assisting with recruitment, selection, orientation and evaluation of directors;
- formulating policies and planning recommendations to the Board;
- advocating and promoting the AHV mission, values to regulators, other stakeholders and the wider community;
- promptly informing the Chairperson of any significant matter that may effect AHV's reputation, viability and performance;
- seeking opportunities for the development of AHV; and
- ensuring appropriate linkages between the Board and AHV staff.

### 8.15.2 Accountability

The CEO is accountable to the Board.

### **8.15.3 Appointment and Term**

The Board appoints the CEO on the terms and conditions that it determines.

## **8.16 Company Secretary**

### **8.16.1 Role of the Company Secretary**

The Company Secretary is responsible for:

- ensuring that all company secretarial requirements under the Act and the constitution are met in a timely manner;
- providing secretarial and support services to the Board and its sub-committees;
- managing the preparation of the AHV annual report; and
- organising the annual general meeting of the Company.

### **8.16.2 Accountability**

The Company Secretary reports to the CEO and is accountable to the Board in relation to compliance with the Act.

### **8.16.3 Appointment and Term**

The Board appoints the Company Secretary on the terms and conditions that it determines.

The Company Secretary will be subject to regular reviews of performance by the CEO, and may be removed or replaced as the Board determines.

## **8.17 Delegations**

Excepting its power to delegate, the Board may delegate any of its other powers and functions to a specific director, committees of directors and to management.

The delegation may be set out in the terms of reference of any such committee or the contract of employment of AHV staff.

In addition, the Board may also delegate specific powers for executing contracts and approving expenditure. Such powers will be specified in an instrument of delegation approved by the Board and signed by the Chair of the Board.

## **8.18 Media**

As a general rule, public statements about AHV policies are made by the Chair and public statements about operational matters are made by the CEO.

When representing AHV through the public media, the CEO must first inform the Board of the intention to do so and ensure that statements to the media are in accord with AHV policies, stated values and beliefs.

In the event of a news break requiring urgent attention, the CEO and Chairperson will consult and determine the appropriate course of action.

Individual Board members may not make public comment until agreed by the Board or Chairperson, and only in exceptional circumstances.

### 8.19 Policy log

<b>Policy history</b>	<b>Version</b>	<b>Policy creation date</b>	<b>Review date</b>
Policy developed	V1	February 2015	2017
Terms of Reference updated & approved for GC and FAR	V2	August 2015	2017

## 9. Finance, Audit and Risk Committee Terms of Reference

### 9.1 Background

The Finance, Audit and Risk Committee (**Committee**) is a Board committee, pursuant to clause 28.3 of the constitution.

### 9.2 Accountability

The Committee is accountable to the Board.

### 9.3 FARC Composition

#### 9.3.1 Composition

The Committee will comprise a minimum of 3 Directors with CEO and CFO as attendees. At least one director will have financial expertise, either as a qualified accountant or other professional with experience in finance and accounting matters; and at least one member who has an understanding of affordable housing.

The Committee will have one chair. The Chair of the Board will not be the chair of the Committee.

The Chief Finance Officer will not be a member but will attend all Committee meetings, except where access is restricted for a specific purpose (see **Error! Reference source not found.** below). Other members of AHV staff will attend meetings by invitation.

#### 9.3.2 Appointment and Term

At the first meeting of the Board after the annual general meeting, the Board will appoint the members of the Committee including the chair for an initial term of one year, after which time they may be reappointed.

### 9.4 Role

The role of the Committee is to assist the Board to meet its responsibilities in relation to AHV financial reporting, compliance with legal and regulatory requirements, internal control structures, risk management systems and external audit functions.

Ultimate responsibility for the integrity of AHV financial reporting and risk management rests with the Board.

In performing its functions, the Committee should not assume management's responsibility for financial statements.

### 9.5 Functions

The primary functions of the Committee are:

- to review and assess risk management policies, programs and practice;
- to consider and make recommendations to the Board concerning AHV's risk appetite;
- to approve and monitor systems that ensure compliance by AHV with all relevant legislation;
- to set the tone for sound financial reporting and sound systems of internal control;
- to review the financial and resource implications and risks associated with the business plan and financial plan;
- to review annual budgets and forecasts before submission to the Board for approval;
- to monitor the financial performance of AHV, on a monthly basis, against budgets and forecasts and ensure financial delegations are complied with;
- to monitor the progress of any asset management, capital investment, divestment or development program established by AHV in respect of property assets owned by AHV or which AHV has responsibility for asset management;
- to review AHV financial statements, including annual financial statements and reports and other financial information requested by the Board, to be presented to regulatory authorities and funding bodies;
- to oversee and appraise the quality of audits conducted by external auditors and make recommendations to the Board on the appointment and termination of external auditors;
- to develop and monitor the implementation of finance/treasury policies and make recommendations to the Board as necessary;
- to ensure probity and financial viability by undertaking proper analysis, evaluation and monitoring of investments;
- to consider and make recommendations to the Board regarding the investigation, analysis, evaluation and monitoring of financing options or government investment opportunities;
- to report regularly to the Board and promptly do so where a significant issue arises;
- to initiate and supervise special investigations or seek external legal advice as required;
- to develop and monitor the implementation of treasury policies; and
- to consider recommendations and advice of management and external advisors on operational and financial risks and make recommendations to the Board when appropriate

## 9.6 Meetings

### 9.6.1 Frequency and Quorum

The provisions of the constitution that apply to meetings and resolutions of directors apply, as far as they can and with any necessary changes, to meetings and resolutions of the Committee.

The Committee will hold monthly meetings except for January and such additional meetings as the Committee Chair decides in order to perform its functions.

A quorum consists of more than half the number of members of the Committee.

### **9.6.2 Support and Minutes**

The Company Secretary (or nominee as secretary to the Committee) will:

- in conjunction with the Chair of the Committee and CEO, settle agendas for and arrange meetings;
- distribute agendas and supporting papers to members of the Committee at least 7 days before the relevant meeting;
- keep and distribute minutes of each meeting; and
- ensure that minutes and reports are provided to the Board.
- If the Committee meets with external auditors without the presence of the Company Secretary, the Chair is responsible for ensuring that a written record of the meeting is made.

## **9.7 Reporting**

### **9.7.1 Board Reports**

The Committee will report to the Board by:

- providing a copy of the minutes of each committee meeting for inclusion in the papers for a meeting of the Board;
- the chair reporting at the Board meeting following a meeting of the Committee on proceedings of the Committee and all recommendations of the Committee which require Board endorsement or approval; and
- providing an annual written report on all matters relevant to the performance of its role and functions.

### **9.7.2 Annual Report**

The annual report of AHV will include a corporate governance statement detailing:

- the names and qualifications of the members of the Committee;
- the number of meetings of the Committee; and
- the number of Committee meetings attended by each member.

## **9.8 Authority**

The Committee is authorised to:

- seek explanations and additional information from management in order to perform its functions;
- obtain advice at AHV's expense; and

- have access to external auditors either with or without management present.

## 10. Governance Committee Terms of Reference

### 10.1 Background

The Governance Committee (**Committee**) is a Board committee, pursuant to clause 28.3 of the constitution.

### 10.2 Accountability

The Committee is accountable to the Board.

### 10.3 Composition

#### 10.3.1 Composition

The Committee will comprise the Chair of the Board and two Board Members.

The Committee will have one chair. The Chair of the Board will not be the chair of the Committee.

#### 10.3.2 Appointment and Term

At the first meeting of the Board after the annual general meeting, the Board will appoint the members of the Committee including the chair for an initial term of one year, after which time they may be reappointed.

### 10.4 Role

The role of the Committee is to assist and advise the Board on:

- matters relating to the selection, composition, structure, conduct, scope of operation, training, performance and remuneration of the board and its relationship with the executive and other officers of the company;
- matters relating to CEO selection, remuneration framework, performance and succession planning;
- matters relating to remuneration framework of the executive team and the general workforce;
- matters relating to Board level policy, the operations of the Board and how the Board can operate more effectively; and
- any other matters referred to the Committee or identified by or referred to the Committee.

### 10.5 Functions

The primary functions of the Committee are:

#### **10.5.1 Board related functions:**

- to review and advise on the process for nomination and selection of directors and associate Board members;
- to conduct searches for new Board members and recommended preferred candidates to the Board;
- to assess the extent to which the necessary and desirable competencies are represented on the Board;
- to recommend required board competencies, number and profile of Board members;
- to ensure that Board success plans are in place to maintain the require competencies, number and profiles of Board members;
- to ensure a process is in place for the induction and continuing development of Board members;
- to develop a process for evaluating the performance of the Board; and
- to make recommendations to the Board on the above-mentioned matters and work with the executive on implementation.

#### **10.5.2 CEO related functions:**

- to advise on CEO succession planning;
- if the CEO position becomes vacant, to consider the replacement strategy in conjunction with the Chairman and engage in the process for the appointment of a new CEO;
- to make recommendations to the Board on the key accountabilities and performance measures for the CEO; and
- to undertake at least annually a formal review of the CEO's performance against agreed performance measures and report to the board.

#### **10.5.3 Remuneration related functions:**

- to receive and consider advice on relevant market trends regarding remuneration; and
- in conjunction with the CEO and Director HR, review and make recommendations regarding the remuneration framework of the Board members, CEO and executive.

#### **10.5.4 Board level policy and Board operations**

- to consider the operation of and effectiveness of Board meetings;
- to consider, review and make recommendations to the Board about AHV's governance policy and related Board level policies; and
- to consider, review and make recommendations to the Board on any other AHV policies and procedures which are the responsibility of the Board.

## 10.6 Meetings

### 10.6.1 Frequency and Quorum

- The provisions of the constitution that apply to meetings and resolutions of directors apply, as far as they can and with any necessary changes, to meetings and resolutions of the Committee.
- The Committee will generally meet immediately prior to each Board meeting and hold such additional meetings as the Committee Chair decides in order to perform its functions.
- A quorum consists of more than half the number of members of the Committee.

### 10.6.2 Support and Minutes

The Company Secretary (or nominee as secretary to the Committee) will:

- in conjunction with the Co-Chairs of the Committee, settle agendas for and arrange meetings;
- distribute agendas and supporting papers to members of the Committee at least 7 days before the relevant meeting;
- keep and distribute minutes of each meeting; and
- ensure that minutes and reports are provided to the Board.

## 10.7 Reporting

### 10.7.1 Board Reports

The Committee will report to the Board by:

- providing a copy of the minutes of each committee meeting for inclusion in the papers for a meeting of the Board;
- the chair reporting at the Board meeting following a meeting of the Committee on proceedings of the Committee and all recommendations of the Committee which require Board endorsement or approval; and
- providing an annual written report on all matters relevant to the performance of its role and functions.

### 10.7.2 Annual Report

The annual report of AHV will include a corporate governance statement detailing:

- the names and qualifications of the members of the Committee;
- the number of meetings of the Committee; and
- the number of Committee meetings attended by each member.

## 10.8 Authority

The Committee is authorised to:

- seek explanations and additional information from management in order to perform its functions; and
- obtain advice at AHV's expense.

## 11. Conflict of Interest Policy

### 11.1 Acknowledgment

Matters involving directors and members may occur in the ordinary course of the business of AHV as the Board includes directors who are actively involved in Aboriginal and Torres Strait Islander organisations whose staff or members may be AHV tenants. Further directors or their family members may be AHV tenants.

### 11.2 Related Requirements

Directors have duties under the Corporations Act, the general law and the Performance Standards in relation to conflict of interest.

In applying this policy, the Board must also have regard to the findings and recommendations of the AHV probity advisor and the conflict of interest requirements in any funding agreement with the Commonwealth of Australia.

### 11.3 Conflicts of Interest

A director's interest in a matter involves a personal interest of some real substance (**Interest**).

Whether an Interest exists depends on the context. It may be a direct or indirect interest, a pecuniary interest or a non-pecuniary interest such as reputation, the opportunity to gain non-pecuniary rewards such as expertise, knowledge or the opportunity to influence policy decisions that may subsequently provide a pecuniary or non-pecuniary benefit.

A director has:

- a fiduciary duty to act in the best interests of AHV as a whole and to place the interests of AHV ahead of the director's personal interests or those of another;
- a duty to avoid potential and actual conflicts between the interests of AHV and the director's personal interests or those of another; and
- a duty to avoid acting in a way which may cause detriment to AHV.

### 11.4 Circumstances Giving Rise to Conflicts of Interest

It is not possible to specify a definitive list of circumstances which give rise to potential and actual conflicts. Each circumstance will be considered on its facts at the time.

Potential for conflicts may arise in determining Committee composition, policy decisions, grant allocations and program evaluations and include, without limitation, circumstances where:

- the director, or an organisation of which the director is an officer, shareholder, member, employee, consultant or advisor is an applicant for, or receives, housing from AHV;

- the director, or an organisation of which the director is an officer, shareholder, member, employee, consultant or advisor receives or will be entitled to receive, a payment from an applicant for housing from AHV;
- the director has a parent, partner, child or sibling who is an officer, shareholder, member, employee, consultant or advisor is an applicant for, or receives, housing from AHV; and
- the director or the director's organisation acts as the lawyer, accountant, auditor or advisor of an applicant for, or receives, housing from AHV.

## 11.5 Management of Conflicts of Interest

The Company Secretary will maintain a register of directors' standing Interests in matters relating to AHV and related affordable housing programs (**Register**).

Each director has a duty to disclose their Interests and to ensure that their particulars in the Register are current, complete and accurate in all material respects.

In settling the agenda for a Board meeting, the Chair and the CEO will consider the Register and whether a potential or actual conflict of exists for any director in relation to a particular matter. Board papers on that matter will not be distributed to the affected director, who will be informed that certain papers have been withheld because of a potential or actual conflict of interest.

Consideration of conflict of interest will standing agenda item at the beginning of each Board and Committee meeting. Each director will consider whether they have a potential or actual conflict of interest in a matter to be discussed at the meeting that is not recorded on the Register and will disclose that interest to the meeting. The affected director will return to the Company Secretary any Board papers they have received on the matter.

Where any director has an Interest in a matter to be considered at a Board meeting will leave the meeting while the matter is being considered and will not vote on the matter.

This does not apply to matters relating to directors' remuneration, contracts which insure the director against liabilities incurred as an officer of AHV (as long as the contract does not make AHV or a related body corporate the insurer) and all other matters specified in section 191(2)(a) of the Corporations Act.

The Company Secretary will record in the minutes of the meeting any action taken in relation to the management of a potential or actual conflicts of interest.