



CATHOLIC HEALTHCARE LIMITED

CORPORATE GOVERNANCE STATEMENT 2023

1. Mission and Values – Opening Statements

Our organisation seeks to govern itself in furtherance of its core mission which is to promote dignity, life and spirituality of older people through connected and inclusive communities. Our values of courage, integrity and compassion underpin our governance framework.

As part of our strategic priorities, we will provide a holistic experience for older people to contribute to the community and live more meaningful and fulfilled lives, achieved through integrated multi-service campuses, and virtual communities.

2. Governance Structure

- Catholic Healthcare Limited (**CHL**) is a not-for-profit Public Company Limited by Guarantee and is the main operating entity which provides Catholic Healthcare's, aged care, retirement living, community and home care services.
- Catholic Healthcare is a church body governed by canon law and its statutes and is governed by Trustees, which are appointed by Members. The Trustees function in a stewardship capacity to oversee the ministry of the organisation and to ensure that Catholic Healthcare's mission is fulfilled. The Trustees appoint the directors of CHL.

3. Board Oversight

3.1 The Role of the Board

The Board is responsible for:

- Guiding and reviewing management performance to ensure fulfilment of CHL's Mission;
- Promoting a culture of quality and safety in CHL services of continuous improvement and monitoring to ensure that care is delivered in compliance with all relevant legislation, regulatory requirements, quality standards and guidelines. The Board has ultimate responsibility and influence over the care and services provided to those in CHL's care;
- Setting the company's strategic direction;
- Setting and annually reviewing CHL's Risk Appetite Statement;
- Monitoring and reviewing the effectiveness of Clinical, Safety, Financial and non-financial risk management systems;
- Approving and reviewing Board owned Policies;
- Appointing and monitoring the performance of the Chief Executive Officer (subject to any appointment or removal of the Chief Executive Officer being approved by the Member of the Company (Trustees)); and

- Maintaining an active dialogue with the Trustees, through the Board Chair to ensure alignment with CHL's mission.

The Board is committed to ensuring that there is a high standard of corporate governance practice which promotes high standards of care and promotes a safe environment for residents, clients and staff and allows CHL to be a valuable contributor to the communities in which it operates.

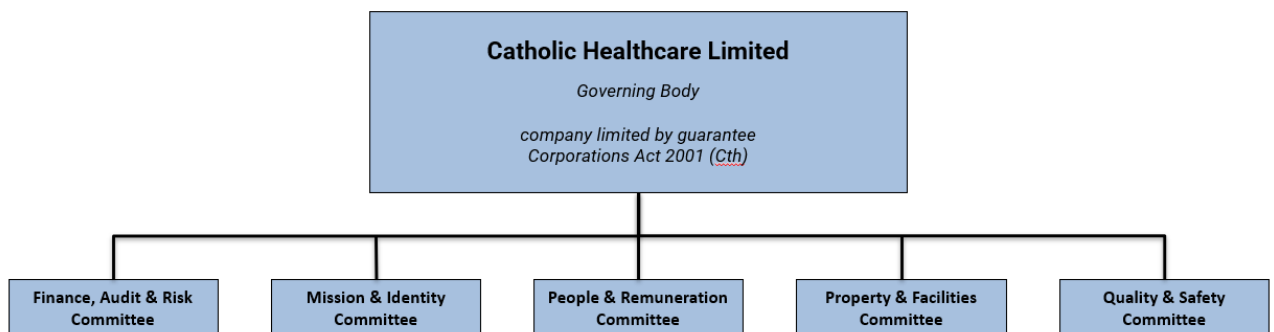
The Board Charter sets out the Board's roles and responsibilities and clearly sets out matters requiring Board approval and matters which have been delegated to management.

3.2 Governance Framework: The Board and its Standing Committees

The Governance Framework has been adopted to allow Standing Committees to assist the Board in fulfilling its responsibilities. There are Six (6) Standing Committees of the Board:

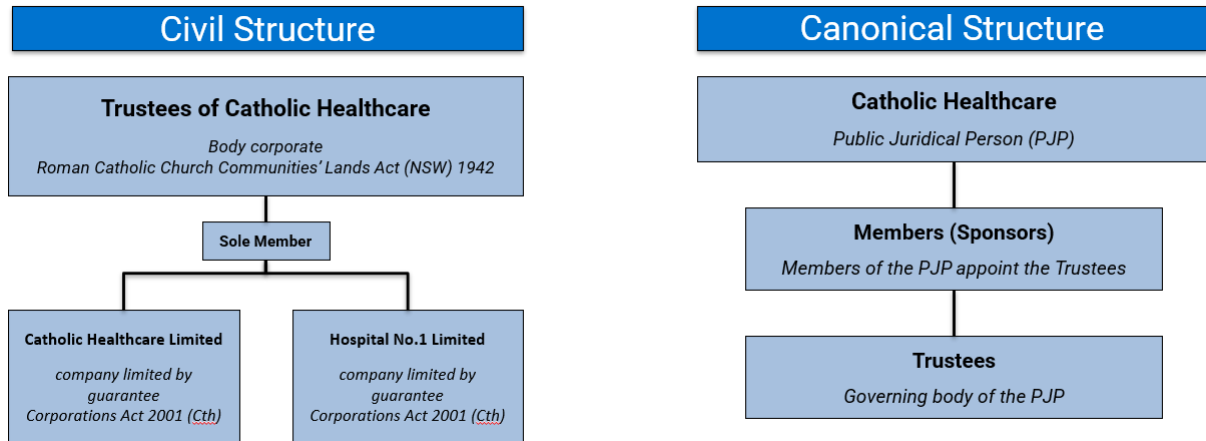
- (i) Mission and Identity Committee
- (ii) Quality & Safety Committee
- (iii) Finance Audit and Risk Committee
- (iv) Property and Facilities Committee
- (v) People and Remuneration Committee
- (vi) Trustees & Board Joint Nominations Committee

Interim committees may be established from time to time to assist with adhoc projects. A Transformation Governance Committee was established in December 2022 and will cease to operate by 30 June 2023.



Each Committee has its own Charter which sets out the roles and responsibilities of the Committee.

Governance Framework



The Trustees of Catholic Healthcare (Trustees), a Public Juridical Person, is the sole Member of CHL and as such in accordance with clause 20(a) of CHL's Constitution (Constitution) (as updated and approved on 6 December 2022), the Trustees are required to authorise and give effect to specified CHL Board decisions. This section of the Constitution is referred to as the reserved powers section. The reserved powers and any pre-agreed limits have been outlined in the Governance Authority Matrix last updated on 4 October 2022.

3.3 Board Composition and Succession

The Board of CHL is composed of directors who provide a diverse mix of skills, experience and expertise, including clinical expertise which allows the Board to effectively discharge its responsibilities in accordance with the Board Charter, Constitution, Aged Care Standards and any relevant legislation including the Aged Care & Other Legislation Amendment (Royal Commission Response) Act 2022 (Act).

The **Trustees and Board Joint Nominations Committee** is responsible for assessing candidates for open Board positions and making recommendations to the Board for the Board to make a recommendation to the Trustees regarding the appointment of a new Director. The Committee Charter sets the roles and responsibilities of the Committee.

The Committee will have regard to the Board Skills Matrix when considering the suitability of candidates and will endeavour to recommend candidates who, if appointed, will ensure the Board has an appropriate mixture of skills, experience and diversity.

3.4 Director Independence

Directors are required to be independent of any conflict of interest and are always required to act in the best interests of CHL. Directors should be free of any position, role, ownership or other relationship which would interfere in their ability to objectively and independently act in CHL's best interest. In accordance with the Act, the Board must have a majority of Independent Non-Executive Directors.

All directors have been assessed as being Independent Non-Executive Directors.

3.5 Clinical Care Experience

The Act requires the Board to have at least one (1) Director with clinical care experience.

The Board currently has two (2) Directors who have been assessed as having the relevant clinical care experience.

4. Mission and Identity

CHL's Mission and Values are the guiding principles upon which CHL carries out its activities. The **Mission and Identity Committee** is responsible for assisting the Board in its oversight to ensure that CHL maintains a culture and provides its services consistent with the Mission and Values of CHL. The Charter of the Mission and Identity Committee (**Committee**) sets out the role and responsibilities of the Committee and requires that at least one member of the Committee shall have a background or understanding of Mission and/or Catholic Identity.

5. Quality and Safety Governance

Consistent with the core principles outlined above, the provision of quality and safe services is a key responsibility of the Board. The **Quality and Safety Committee** is responsible for assisting the Board in its oversight of the safe and quality provision of CHL's services. The Committee's charter sets out the roles and responsibilities of the Committee and requires that at least two members have clinical qualifications and other members have expertise across a range of areas relevant to CHL's operations. This includes assisting the Board to ensure that CHL's systems and processes are appropriate for the delivery of safe and effective clinical personal care, home and community and disability support services that meet all legislative requirements including the Aged Care Quality Standards and the National Disability Standards and the Act.

6. Finance, Financial Reporting and Risk

The **Finance, Audit and Risk Committee** is responsible for assisting the Board in its oversight of finance, financial reporting, audit matters (internal and external), risks and internal controls.

The Committee Charter sets out the roles and responsibilities of the Committee, including the Committee's role in recommending the appointment of the external auditor and oversight of the internal audit function and the external auditors.

The Board has adopted a high-level Risk Appetite Statement to help guide decision making which confirms a low appetite for risks which imperil delivery of our core mission and conduct inconsistent with our values. The Risk Appetite Statement is reviewed on an annual basis.

6.1 Chief Executive Officer and Chief Financial Officer Annual Declaration

Annually, prior to the approval of the annual financial statements, the Chief Executive Officer and Chief Financial Officer make a declaration regarding their opinion on the internal control environment's effectiveness throughout the year and adherence to company policies.

7. **Property and Facilities**

CHL manages a large property portfolio. The **Property and Facilities Committee** assists the Board in fulfilling its governance, oversight and monitoring responsibilities in relation to the area of property and property development.

The Committee's Charter sets out the roles and responsibilities of the Committee and requires that at least one member has a background in property and/or development and have experience in managing property related risk management.

8. **People and Culture**

Our people are central to the delivery of our Mission.

We have policies in relation to staff recruitment, performance and behaviour which reflect our core values. There is a Code of Conduct that reinforces our obligations to act with respect, to provide safe and quality services and ethical behaviour.

Oversight of complaints and feedback from staff and consumers and their families is an important mechanism for the Board to assess the culture of CHL and the Board also receives regular reports on staff engagement.

The **People and Remuneration Committee** supports, advises and makes recommendations to the Board with respect to remuneration strategies, policies and practices designed to attract, retain and motivate, executives and employees and to ensure that CHL has a diverse and inclusive work environment where everyone is treated fairly and with respect.

The Committee Charter sets out the Committee's roles and responsibilities.

9. **Effective Date of the Information Contained within this Statement**

Information contained within the 2023 Corporate Governance Statement is current with effect from 7 June 2023.
