



CATHOLIC HEALTHCARE LIMITED

CORPORATE GOVERNANCE STATEMENT 2024

1. Mission and Values – Opening Statements

Our organisation seeks to govern itself in furtherance of its core mission, which is to promote the 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. This will be achieved through integrated catholic Connected Communities.

2. Governance Structure

- Catholic Healthcare Limited (**CHL**) is a not-for-profit Public Company Limited by Guarantee and is the primary operating entity that provides Catholic Healthcare’s aged care, retirement living, community and home care services. CHL was established in New South Wales in 1994.
- Catholic Healthcare is a church body governed by canon law and its statutes and governed by Trustees, who are appointed by Members. The Trustees function in a stewardship capacity to oversee the organisation's ministry and 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 complies 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 a high standard of corporate governance that promotes high standards of care and a safe environment for residents, clients, and employees. This allows CHL to be a valuable contributor to the communities in which it operates.

The Governing Body Charter sets out the Board's roles and responsibilities and identifies matters requiring Board approval and matters delegated to Management.

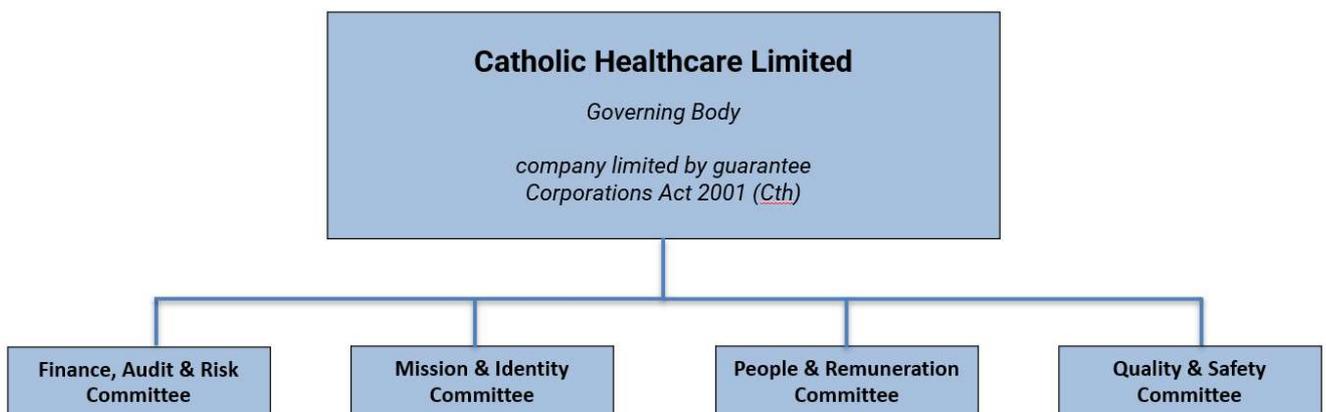
3.2 Governance Framework: The Board and its Standing Committees

The Governance Framework has been adopted to allow Standing Committees to assist the Board in fulfilling its responsibilities. There are currently four (4) Standing Committees of the Board:

- (i) Mission and Identity Committee
- (ii) Quality & Safety Committee
- (iii) Finance, Audit and Risk Committee
- (iv) People and Remuneration Committee

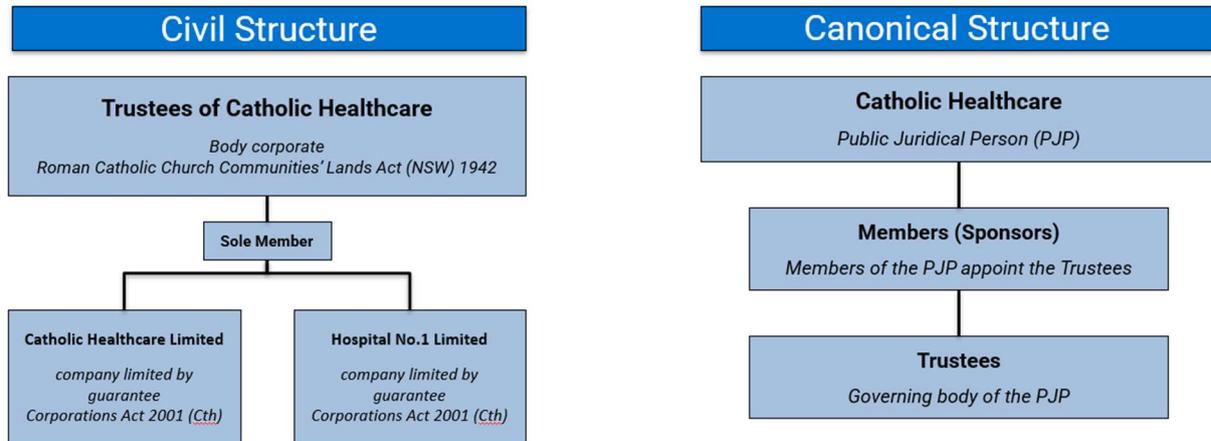
Interim committees may be established from time to time to assist with ad-hoc projects.

A Property and Facilities Committee was established in 2021 to assist the Board in fulfilling its governance, oversight, and monitoring responsibilities regarding property and property development. This committee ceased to operate in November 2023. Since then, the Board has been directly handling strategic property issues.



Each Committee has its own Charter, which sets out the Committee's roles and responsibilities.

Governance Framework



The Trustees of Catholic Healthcare (Trustees), a Ministerial 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 CHL Board is comprised of directors who provide a diverse mix of skills, experience, and expertise, including clinical expertise, which allows the Board to effectively discharge its responsibilities per 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 of Catholic Healthcare are responsible for appointing Directors to the Board. The Trustees have a **Board Nomination Committee**, which assesses candidates for open Board positions and Directors seeking re-appointment. The Committee then makes a recommendation to the Trustees regarding these appointments. The Committee Charter outlines the Committee's roles and responsibilities and allows nominated Board members to attend as observers. Only Trustee members have voting rights.

The Committee will consider 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 always act in the best interests of CHL. They should be free of any position, role, ownership, or other relationship interfering with 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 Other Director Requirements

Directors must hold a valid Director ID and, as Key Personnel of CHL, are assessed annually to ensure they continue to meet the suitability criteria per the Aged Care Quality & Safety Commission Act 2018.

3.6 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 assessed as having the relevant clinical care experience.

3.7 Quality Care Advisory Body and Consumer Advisory Body

In accordance with the Act, CHL has a Quality Care Advisory Body (QCAB) and a Consumer Advisory Body (CAB), which provide reports to the Board on the quality of the aged care services being provided. CAB and QCABs are held for Residential Aged Care and Home and Community Services (HCS), respectively, to ensure the unique needs of each consumer group can be explored. The CAB and QCAB have a charter defining the body's respective roles and responsibilities.

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 services consistent with its Mission and Values. The Charter of the Mission and Identity Committee sets out the Committee's role and responsibilities and requires that at least one member have a background or understanding of the Mission and Catholic Identity.

5. Quality and Safety Governance

Consistent with the core principles outlined above, the Board's key responsibility is providing quality and safe services. **The Quality and Safety Committee** assists the Board in overseeing the safe and quality provision of CHL's services.

The Committee Charter sets out the roles and responsibilities of the Committee and requires that at least two (2) 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 Strengthened Aged Care Quality Standards and the National Disability Standards and the Act.

6. Finance, Financial Reporting and Risk

The **Finance, Audit and Risk Committee** assists the Board in overseeing finance, financial reporting, audit matters (internal and external), risks, and internal controls.

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

The Board has adopted a high-level Risk Appetite Statement to help guide decision-making. The statement confirms a low appetite for risks that impact the delivery of our core mission and conduct, which is inconsistent with our values. The Statement is reviewed annually.

6.1 Chief Executive Officer and Chief Financial Officer Annual Declaration

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

7. People and Culture

Our people are central to the delivery of our Mission.

We have policies to provide safe and quality services and engage in ethical behaviour regarding employee recruitment, performance, and behaviour that reflect our core values. that reinforces our obligations to act with respect, provide safe and quality services, and behave ethically.

The oversight of complaints and feedback from employees, consumers, and their families is essential for the Board to assess CHL's culture. The Board also receives regular reports on employee engagement.

The **People and Remuneration Committee** supports, advises, and makes recommendations to the Board regarding remuneration strategies, policies, and practices designed to attract, retain, and motivate executives and employees and 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.

8. Effective Date of the Information Contained within this Statement

Information contained within the 2024 Corporate Governance Statement is current, effective from 5 June 2024.
