



Councillor Charter

**The Hospitals Contribution Fund of Australia Ltd
(ACN 000 026 746)
(the "Company")**

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1. Introduction and Purpose of this Charter

The HCF Councillor Charter (hereinafter “the **Charter**”) is to serve as a guiding document for the roles and functions of Councillors in support of other governing documents of the Company, in particular, the Constitution of the Company (**Constitution**). The intent of the Charter is to provide a guide to the proper functioning of the Council and its members as outlined in the Constitution, but always subject to the Constitution. The Charter in no way alters the Constitution, nor the rights and obligations in it.

2. Scope and Authority

The Charter shall be approved, amended or otherwise varied only by approval of the Board of the Company (**Board**) following consultation with the Councillors.

If there is any conflict between this Charter and the Constitution the Constitution will prevail.

Capitalised terms not otherwise defined in the Charter have the meaning given to them in the Constitution.

In some places in this Charter, the terms “Council” and “full Council” are used. Those terms are not intended to create a new concept, and merely refer to the Councillors as a group of people. The Councillors will meet in their capacity as members (say when they are in a general meeting) and in other instances at Company facilitated information briefings and informal meetings of the Elected Councillors which are not recognised by the Constitution or the law and in which case they have no legal identity or authority.

3. Role and Responsibilities

Councillors are the members of HCF and must meet the relevant eligibility criteria to remain a Councillor.

As members, Councillors shall have the rights and responsibilities defined in the Constitution and at law and shall exercise those in general meeting or as otherwise permitted by the Constitution and the law.

This shall include:

- right to receive Notice of all Meetings of the Company;
- right to vote at any Meeting of the Company or on any matter as a member of the Company and participate in any matters set before the meeting
- specifically, to participate, and if required, vote on any matter at the Annual General Meeting, including:
 - consideration of the annual financial report, Directors’ report and auditor’s report;
 - declaration of any election of Councillors;
 - the appointment and removal of the external auditor;
 - the fixing of the auditor’s remuneration;
 - determination of the Board Councillors’ (Directors) remuneration pool;

- proposal (to Nominations Committee), election and removal of Board Councillors (Directors) in accordance with the Constitution;
- amendment to the Constitution (through special resolution)
- other matters as required.

Councillors must do each of the following:

- abide by the Constitution of the Company, this Charter, and any laws or regulations binding upon them;
- become a member of the Company;
- confirm that they meet the relevant eligibility criteria to remain a Councillor;
- act in good faith and in the best interests of the Company and for a proper purpose; and
- act in a manner that best promotes the Objects of the Company.

Councillors must also:

- attend information briefings convened by the Company;
- ensure that they have the skill, knowledge and expertise to fulfil their responsibilities;
- devote as much time and attention to meetings of Councillors for them to carry out their responsibilities;
- ensure the maintenance of independence so that the exercise of powers is not in accordance with instructions or directions of any other person or organisation;
- notify the Company of any changes to their personal details or ability to fulfil their responsibilities;
- provide views to the Board when requested;
- engage with the Board and Company through the Chair, as appropriate; and
- not engage directly with Policyholders of the Company, in the exercise of their role.

4. Role of the Chair

The Chair of the Board (Chairman) will chair meetings of Councillors. If the Chairman is not available the Board will appoint a Board Councillor as Chair. The Chairman is responsible for:

- managing the agenda;
- the general conduct of meetings and procedures to be adopted;
- maintaining adherence with the Constitution;

More generally, the Chairman is also responsible for:

- consulting with the Board on behalf of the Councillors;
- facilitating the pre-approval of Councillors' reasonable educational expenses, necessary for them to understand their role; and

- ensuring Councillors receive the appropriate induction.

5. Councillor Structure

The number of Elected Councillors must not exceed double the number of Board Councillors, except where this is temporarily the case due to a Board Councillor ceasing to be a Board Councillor under the Constitution.

The number of Elected Councillors must not exceed 16. The number of Board Councillors must not exceed 8.

Except as the Board may otherwise determine, all appointments of Elected Councillors will be made by the Voting Policyholders in accordance with the rules of the Constitution.

6. Conduct of Councillor Business

6.1. Frequency of meetings

The Councillors will meet at least four times each year.

Of these four meetings:

- one of these will be the Annual General Meeting; and
- the other three of these will be Councillor information briefings, where the Elected Councillors receive briefings from the Board Councillors and Company Executives.

The Councillors may meet on other occasions, whether as members of the Company in general meeting or informally.

6.2. Quorum for general meetings

The quorum for a general meeting of the Company is at least 33.3% of the Councillors, comprising at least 25% of the Councillors who are Elected Councillors and at least 50% of Councillors who are Board Councillors.

6.3. Council Chair

The Chairman of the Company presides as the Chair at every meeting of the full Council.

If the Company has no Chairman, or the Chairman is unwilling or unable to chair the meeting then the Directors shall elect a Board Councillor to chair the meeting.

6.4. Secretary

Secretariat duties will be provided by the Secretary or his/her delegate.

6.5. Conduct of Councillor meetings

General meetings and Councillor information briefings will be formally structured,

held in appropriate facilities with timely notice, agendas, supporting papers and minutes of prior meetings distributed sufficiently in advance. Minutes of Councillor information briefings do not constitute minutes of meetings of the Company.

Councillors may only exercise their powers and voting rights as members at a general meeting and do so pursuant to the rules outlined in the Constitution.

Except as provided in the Corporations Act, no Councillor (acting as a member of the Company) may call a general meeting. The Constitution requires all resolutions put to the general meeting to be decided on a show of hands and, accordingly, Councillors may not demand a poll.

The business of the Annual General Meeting, as detailed in the Constitution, may include the following (even if not referred to in the notice of meeting):

- consideration of the annual financial report, Director's report and auditor's report;
- declaration of the result of any election of Elected Councillors;
- declaration of the result of any election of Elected Directors;
- the appointment of the external auditor;
- the fixing of the auditor's remuneration; and
- determining the Directors' remuneration pool.

6.6. Elected Councillor meetings

The Elected Councillors may choose to meet without Board Councillors to independently consider matters related to the Council including, but not limited to:

- Efficient and effective administration of the Council;
- Factors relevant to the performance of the Board as a whole;
- Governance of the Company generally.

Any such meeting shall not carry any decision-making power, nor shall any views or determinations be binding upon the Company or full Council. These meetings have no legal identity or authority.

The Council may elect on an annual basis a "Council Convenor" who will be an Elected Councillor. The Council Convenor shall act to facilitate meetings of the Council absent the Board Councillors and shall work with the Chairman to facilitate discussions and raise matters that the Board and/or the Elected Councillors consider worthy of furtherance.

The Council Convenor shall be facilitatory in nature and shall not hold any inherent representative or authoritative power except as properly authorised by the Board and Council.

At any meeting of the Council absent the Board Councillors any appointed Council Convenor shall preside. Where the Council Convenor is unable or unwilling to preside the remaining Elected Councillors shall appoint any one of their number to preside at that meeting.

At a mutually convenient time, following any meeting of the Council absent the Board Councillors, the Council Convenor shall meet with the Chairman in a timely manner to discuss any matters arising from the discussions of the Elected Councillors for the benefit of the Board.

6.7. Schedule of Matters

At least once per year, prior to the Annual General Meeting, the Elected Councillors shall consider a "Schedule of Matters" and this shall be presented for consideration of the Board at their next meeting. The Schedule of Matters shall provide an outline of the topics and material to be addressed across the following year for the Council's consideration at Council information briefings.

The Schedule of Matters shall be a guide to the Chairman as to the content of Council information briefings. The Chairman shall retain discretion on the agenda.

7. Support and Information

Councillors shall be supported to fulfil their duties through:

- Relevant support and guidance from the Chairman;
- A process of induction sufficient to understand and allow them to fulfil the roles and responsibilities of a Councillor;
- Provision of administrative support in a manner to be determined by the Chairman from time to time;
- Relevant support and guidance from the Company Secretary as required;
- Such other supports as the Board may deem appropriate from time to time.

Councillors shall be entitled to:

- Timely, efficient, and effective information sufficient to execute their responsibilities;
- Education, training, and support as required to fulfil the duty of Councillor at the reasonable expense of the Company, in the manner and to the extent determined by the Board from time to time;
- Any other information that the Councillors (in their capacity as members in general meeting) and the Chairman consider relevant to their responsibilities.

Elected Councillors shall *not* be entitled to:

- Information concerning the business, trading, trade secrets, procedures or operational practices, customers, or other matters that in the view of the Board may be regarded as secret, or confidential, that would not otherwise be provided to members of a company, the public, or as required by the Constitution or at law.
- Inspect any document of the Company other than the minutes of general meetings and other documents authorised for their inspection by the Directors or the Company or the law.

8. Review of Charter and Performance

The Charter shall be reviewed at least every two years by a duly elected sub-committee of Elected Councillors, so appointed by the entire Council.

The performance of the Council collectively shall be reviewed annually, prior to the Annual General Meeting of the Company, in the following manner:

- At a meeting of Council members absent of Board Councillors, the Council shall consider and review the performance of the Council against the requirements of the Council as set out in this Charter and the Constitution and provide a feedback report to the Board;
- The Board shall consider the feedback report and provide comment to the full Council including, but not limited to, any proposed practice improvements or amendments to the Charter (if required).