



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

This charter ("**Charter**"), together with the constitution of the Company ("**Constitution**") sets out the roles and responsibilities of the Councillors of the Company, and applies whether they are an Elected Councillor or a Board Councillor. This includes their role and responsibility as members of the Company, which is an integral part of the role of a Councillor.

2. Definitions

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

3. Role of the Councillors

3.1. Role

Councillors must do each of the following, as required by the Constitution:

- (a) become a member of the Company; and
- (b) confirm that they meet the relevant eligibility criteria to remain a Councillor.

Councillors may also propose Director candidates to the Nomination Committee.

Because Councillors are members of the Company, each Councillor has the power to do all of the things which a member of a company can do, including from time to time considering and voting on:

- (i) changing the type of company which the Company is;
- (ii) changing the Constitution;
- (iii) appointing external auditors;
- (iv) removing external auditors;
- (v) appointing Directors in certain circumstances;
- (vi) determining the Directors remuneration pool;
- (vii) removing Directors; and
- (viii) considering and voting on other matters as members of the Company.

3.2. Responsibilities

Councillors must comply with the Constitution and this Charter.

Each Councillor must make any decision in the interests of the Company and in a manner which promotes the Objects of the Company, which involves taking into account the short, medium and long term interests of Policyholders.

Councillors must also:

- (a) attend information briefings convened by the Company;
- (b) ensure that they have the skill, knowledge and expertise to fulfil their responsibilities;
- (c) devote as much time and attention to meetings of Councillors for them to carry out their responsibilities;
- (d) 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;
- (e) notify the Company of any changes to their personal details or ability to fulfil their responsibilities;
- (f) provide counsel to the Board when requested;

- (g) engage with the Board and Company through the Chair, as appropriate; and
- (h) not to engage directly with Policyholders of the Company, in the exercise of their role.

4. Role of the Chair

The Chair, in relation to a meeting of Councillors (in their capacity as members of the Company), is an independent non-executive Director appointed by the Board and is responsible for:

- (a) setting the agenda, style and tone of Councillor discussions;
- (b) the general conduct of meetings and procedures to be adopted;
- (c) maintaining adherence with the Constitution;
- (d) consulting with the Board on behalf of the Councillors;
- (e) facilitating the pre-approval of Councillors' reasonable educational expenses, necessary for them to understand their role; and
- (f) ensuring Councillors receive the appropriate induction.

5. Councillor Structure

5.1. Composition

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 three times each year and one of these will be the Annual General Meeting.

6.2. Quorum

The quorum for a meeting of Councillors 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. Chair

If the Directors have elected a Chairman, then the Chairman presides as the Chair at every meeting of Councillors.

6.4. Secretary

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

6.5. Conduct of meetings

Meetings will be formally structured, held in appropriate facilities with timely notice, agendas, supporting papers and minutes of prior meetings distributed sufficiently in advance.

The purpose of the meetings is to present and discuss the operational performance of the Company and adequacy of governance controls and oversight. This will be facilitated by appropriate reports and presentations.

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 member 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. Access to Information

Councillors will at all times have:

- (a) sufficient information, received in a timely manner, to execute their responsibilities;
- (b) education necessary to understand the role of a Councillor, at the reasonable expense of the Company and following pre-approval; and
- (c) access to information the Councillors (in their capacity as members in general meeting) consider relevant to their responsibilities, through the discretion exercised by the Chair of the general meeting.

Except as provided for by the Constitution or the Corporations Act, Councillors who are not Directors are not entitled to require or receive any information concerning the business, trading or customers of the Company or any trade secret, secret process or other confidential information of or used by the Company.

As is also provided in the Constitution, Councillors who are not Directors do not have the right to inspect any document of the Company other than the minutes from meetings of the Councillors and other documents authorised for their inspection by the Directors or the Company or the law.

Councillors are required to sign confidentiality agreements under which they agree to keep Company information confidential.

7. Evaluation of Councillor Performance

The Councillors will conduct a review of the performance of the Councillor meetings achieving its objectives at least every two years.

8. Review of Charter

The Councillors, in conjunction with the Board, will conduct a review of the Charter at least every two years.

Amendments to this Charter require Board approval.