

BOARD CHARTER

HCF Research Foundation Ltd
(ACN 604 776 070)

(the "Company")

BOARD APPROVAL DATE: 25 November 2024

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1. INTRODUCTION AND PURPOSE OF THIS CHARTER

HCF Research Foundation Ltd (**the Company**) is an unlisted public company limited by guarantee. The Company is the corporate trustee of HCF Research Foundation (**the Foundation**), a charitable trust. It has no other business or role. The Company is a wholly-owned subsidiary of The Hospitals Contribution Fund of Australia Ltd (**HCF**), a public company limited by guarantee.

The purpose of this Board Charter is to set out the corporate governance structure of the Company to facilitate the sound and prudent management and governance of the operations of the Company in accordance with its Constitution, and as the corporate trustee of the Foundation in accordance with the Foundation's Trust Deed, as well as in compliance with applicable legislative and regulatory requirements.

This Board Charter sets out the roles and responsibilities of the Board, specific responsibilities that the Board has delegated, as well as the Board structure, operations and processes.

As a wholly-owned subsidiary of HCF, the Company relies on certain services provided to it by HCF, including the provision of finance, investment management, governance and risk management services, and adopts where appropriate policies and procedures of the HCF Group.

The Trustee has established a Research Advisory Committee (**RAC**) for the Foundation. The role of the RAC is to support the delivery of the Foundation's strategy and objectives and includes responsibility for making recommendations to the Company on the allocation of Foundation funds for high-quality research purposes in the areas determined by the Company in accordance with the Trust Deed.

2. ROLE OF THE BOARD

2.1. ROLE

The Board is responsible for the overall governance of the Company in accordance with the Constitution. In the Company's role as corporate trustee of the Foundation, the Board is also responsible for the overall governance of the Foundation in accordance with the Foundation's Trust Deed.

2.2. RESPONSIBILITIES

The Board's specific objectives and responsibilities both in respect of the Company itself and as the corporate trustee of the Foundation include:

2.2.1. Responsibilities in relation to the Company:

- a) reviewing and approving the annual financial statements;
- b) approving the acquisition, establishment, disposal or cessation of any significant business of the Company;
- c) approving any borrowings, and the granting of any security over, or interests in, the undertaking of the Company or any of its assets;
- d) appointing and removing the Company Secretary;
- e) appointing related or third parties to perform outsourced functions, and monitoring the performance of those functions;
- f) overseeing and monitoring financial reporting and risk and compliance and monitoring that adequate systems are in place to manage risk and comply with laws, regulatory requirements and standards (having specific regard to any HCF Group Policies which may be relevant);
- g) any other matters requiring Board approval under the Company's Constitution or the *Corporations Act 2001* (Cth) (**Corporations Act**);

2.2.2. Responsibilities as corporate trustee of the Foundation:

- a) considering the short, medium and long term goals of the Foundation in accordance with the objectives of the Foundation's Trust Deed;
- b) providing input in the planning and strategy of the Foundation, and approving significant initiatives;

- c) approving any application of the Foundation's funds to research grants or any of the other purposes authorised under the Foundation's Trust Deed, via the RAC, where appropriate and applicable;
- d) reviewing the written charter of the RAC on an annual basis. The Company retains at all times the right to accept, to reject or to amend any recommendation of the RAC;
- e) approving and monitoring the Foundation's investment objectives and strategies, having regard to the objectives of the Foundation's Trust Deed;
- f) monitoring the performance of the Foundation's investments;
- g) appointing related or third parties to perform outsourced functions, and monitoring the performance of those functions;
- h) overseeing and monitoring financial reporting and risk and compliance and monitoring that adequate systems are in place to manage risk and comply with laws, regulatory requirements and standards (having specific regard to any HCF Group Policies which may be relevant);
- i) reviewing and approving the annual budget and business plan and reviewing annual progress and performance against them;
- j) reviewing and approving the annual financial statements;
- k) reporting in accordance with the Foundation's Trust Deed; and
- l) reviewing collaboration partnerships for the Foundation to partner with other organisations in accordance with the Foundation Partnership Framework.

3. ROLE OF THE CHAIR

The Chair is responsible for:

- a) providing appropriate leadership to the Board;
- b) monitoring that Directors receive the appropriate induction;
- c) monitoring that the membership of the Board is balanced and appropriate for the Company's and Foundation's needs;
- d) setting the agenda, style and tone of Board discussions and monitoring that key decisions are made in a timely manner;
- e) facilitating Board discussions to ensure the core issues facing the Company and the Foundation are addressed and that adequate time is allocated for consideration of all issues;
- f) monitoring the performance of the Board;
- g) guiding and promoting the on-going effectiveness and development of the Board and individual Directors;
- h) liaising with the Chair of any related HCF company or any HCF committee that is deemed necessary to assist with the corporate governance of the Company and the Foundation;
- i) liaising with any person as deemed necessary to assist with fulfilling the responsibilities of the Board; and
- j) promoting constructive relationships between Board members and between the Board and relevant third parties.

4. ROLE OF INDIVIDUAL DIRECTORS

The Directors' specific duties and responsibilities include:

4.1. LEGAL AND STATUTORY REQUIREMENTS

To act in accordance with legal and statutory requirements including:

- a) discharging their duties in good faith and acting honestly in the best interests of the Company and the Foundation;
- b) owing a fiduciary duty to the Company and the Foundation, using their powers of office for proper purpose, in the best interest of the Company and the Foundation as a whole;

- c) acting with required care, skill and diligence, demonstrating commercial reasonableness in their decisions;
- d) understanding the Company's and the Foundation's finances in order to reach a reasonably informed opinion of financial capacity;
- e) not making improper use of information gained through their Directorship;
- f) not taking improper advantage of their Directorship;
- g) making reasonable enquiries to ensure that the Company is operating efficiently, effectively and legally towards achieving its goals and carrying out its duties as trustee for the Foundation;
- h) understanding the risks to the Company and the Foundation;
- i) understanding the Company's and the Foundation's legal obligations (including the Company's prudential obligations);
- j) overseeing the effective management of the Company and the Foundation and making key decisions in a timely manner;
- k) to contribute effectively to the Board's deliberation processes;
- l) undertaking diligent analysis of all proposals placed before the Board;
- m) not permitting the Company and/or the Foundation to engage in insolvent trading;
- n) to make an independent assessment of information or advice from a competent and reliable individual, before relying upon it; and
- o) to exercise independent thinking and judgement in the discharge of these responsibilities.

4.2. TIME COMMITMENT AND PARTICIPATION IN BOARD MEETINGS

- a) to devote sufficient time to properly perform their duties to the Company and the Foundation, and to assist the Board in carrying out its responsibilities;
- b) to attend Board meetings, question, request information, raise any issue which is of concern to them, fully canvass all aspects of any issue confronting the Company and the Foundation and cast their vote on any resolution according to their own judgement;
- c) to keep confidential Board discussions, deliberations and decisions except where decisions are required to be publicly disclosed; and
- d) to undertake regular continuing professional education in relation to performing their role as a Director of the Company, as well as performing their role as a Director of a corporate trustee.

4.3. CONFLICT OF INTEREST

In accordance with the Constitution, the Corporations Act and current best practice, to appropriately manage conflicts of interest that may arise and to:

- a) disclose to the Board any actual or potential conflicts of interest (including details of transactions or relationships) that may exist or might reasonably be thought to exist as soon as the situation arises;
- b) inform the Chair of any proposed board or executive appointments they are considering undertaking;
- c) if deemed desirable by the Board or the Director, take such steps as are necessary and reasonable to resolve any conflict of interest within an appropriate period;
- d) comply with the Corporations Act provisions relating to disclosing interests and restrictions on voting; and
- e) follow the agreed procedures to assist Directors in disclosing potential conflicts of interest.

4.4. CODE OF CONDUCT AND ETHICAL STANDARDS

Directors are to observe the HCF Group Code of Conduct that sets out the ethical behaviour and professional conduct expected from all of the HCF Group's colleagues and business partners including dealings with:

- customers and consumers;
- suppliers;
- advisors and regulators;

- competitors;
- the community; and
- employees.

4.5. AVAILABILITY TO REGULATORS

Directors must be available to meet with any regulator (including Australian Charities and Not-for-profits Commission (ACNC)) on request.

5. ROLE OF THE COMPANY SECRETARY

The Company Secretary is accountable to the Board through the Chair on corporate governance and company secretarial matters and is specifically responsible for:

- a) co-ordinating, organising and attending all Board Meetings;
- b) preparing minutes of meetings and resolutions of the Board in accordance with the HCF Group Board/Committee Papers and Minutes Policy;
- c) assigning responsibility for follow up of matters arising from Board meetings and ensuring relevant follow-up is appropriately reported to the next relevant meeting;
- d) overseeing statutory and administrative procedures;
- e) identifying corporate governance issues and implementing related initiatives; and
- f) liaising between the Board and management to ensure Company Secretariat activities align with business needs and business strategy.

6. ROLE OF THE MANAGEMENT

The Chief Officer – Member Health (with the assistance of the Head of HCF Research Foundation and other members of management) is responsible to the Board for:

- a) the overall management and performance of the Company's and Foundation's business;
- b) providing the Board with information that will assist the Board in discharging its duties;
- c) preparing and monitoring the Company's Corporate Plan and Budget;
- d) reporting on performance against the Company's Corporate Plan and Budget to the Board on intervals agreed by the Board;
- e) implementing, managing and overseeing adherence to plans, policies and procedures in accordance with directives from the Board; and
- f) maintaining an annual Board program of regular and annual items, which are supplemented with business items as required which is used to develop agendas for Board meetings.

7. DELEGATIONS OF AUTHORITY

The Board may delegate its authority, in writing, to a person or a committee.

7.1. DELEGATION TO BOARD COMMITTEES

Where the Board establishes committees to assist it in discharging its responsibilities, each committee will have a written charter approved by the Board setting out the authority, responsibilities, membership and operations of the committee.

The Board will monitor the committees' performance and exercise of delegated authority on a regular basis and review the written charter of the committee on an annual basis. The Chair of each committee will report any matters of substance to the next Board meeting and minutes of all committee meetings will be circulated to the Board.

The Chair of the Board and relevant management (as appropriate) will, and Directors may, attend committee meetings. Directors are also entitled to receive committee papers.

Committees are entitled to obtain professional or other advice in order to effectively carry out their proper functions.

As contemplated in the Trust Deed of the Foundation, the Board may establish a RAC. Other committees may also be constituted by the Board from time to time, as required. At the present time, the Board has determined to establish a RAC and no other standing committees of the Board.

7.2. OVERSIGHT OF DELEGATIONS

The Board must ensure there are procedures for the Company to monitor the exercise of delegations and not to abrogate its responsibilities through the use of delegations.

8. BOARD STRUCTURE AND RENEWAL

8.1. BOARD COMPOSITION AND SIZE

In accordance with the Constitution, the Board must have:

- a) a minimum of three Directors and no more than nine at all times; and
- b) the majority of who are also Directors of HCF.

8.2. CHAIR

HCF will appoint one of the Company's Directors, who is also a Director of HCF, to be the Chair. If at a meeting of Directors, or part of a meeting of Directors, the HCF appointed Chair is absent, the Directors will appoint another Director of HCF present at the meeting as an interim Chair.

Subject to the conditions for appointment and tenure of a Director under the Constitution, there is no additional limitation on the tenure of the Chair.

8.3. REMUNERATION OF DIRECTORS

In accordance with the Constitution, the Company may not pay fees or other remuneration to a Director, except for payment of an annual fee to a Director who is the Chair of the Company, at an amount as determined by HCF.

9. CONDUCT OF BOARD BUSINESS

9.1. FREQUENCY OF MEETINGS

The Board will meet on at least three occasions throughout the year at appropriate intervals. Additional Board meetings may be convened as special meetings during the year, when required to carry out its responsibilities.

The Chair must call a meeting of the Board if requested by any Director or the External Auditor.

9.2. QUORUM OF MEETINGS

In accordance with the Constitution, the quorum for a Board meeting will be 50% plus one (rounded down to the next whole number) of the Directors entitled to vote.

The quorum must be present at all times during the meeting. No business may be transacted at any meeting of the Board unless a quorum is present.

9.3. CONDUCT OF MEETINGS

Meetings will be conducted in accordance with the Constitution and the Corporations Act. They will be formally structured, held in appropriate facilities with timely notice, agendas and supporting papers and minutes of prior meetings distributed sufficiently in advance.

Matters are to be debated openly and constructively amongst the Directors. The Board may invite HCF management or external consultants to attend Board meetings, where necessary or desirable.

The process for preparation and approval of minutes and the security and retention of papers is set out in the HCF Group Board/Committee Papers and Minutes Policy.

The Board will provide the External Auditor with the opportunity to raise matters directly with the Board.

9.4. ACCESS TO INFORMATION AND INDEPENDENT ADVICE

The Directors have the ability to access members of the HCF management team (or any other relevant HCF staff) at any time to request relevant information in accordance with any protocols adopted by the Board from time to time.

Directors may seek independent professional advice as required in relation to their role or responsibilities as a Director of the Company, at the Company's expense, with the prior approval of the Chair, which will not be reasonably withheld. Directors must ensure that the costs are reasonable. The information or advice must be made available to the rest of the Board.

10. EVALUATION OF BOARD PERFORMANCE

The Chair will, on an annual basis, facilitate a discussion on, and formal evaluation of Board performance relative to its objectives and the performance of individual Directors. The Chair may engage external consultants to facilitate Board and Director reviews.

11. INSURANCES

A Director & Officer Insurance Program has been put in place by HCF in respect of itself and its subsidiaries which includes the Company. Directors are provided with a Deed of Access, Indemnity and Insurance on appointment which sets out the basis upon which Directors are indemnified in relation to actions which may be taken against them and their rights to access Company records.

12. REVIEW OF CHARTER

The Board will review this Board Charter on an annual basis and amend it as appropriate.

I confirm that I have reviewed this Board Charter and am satisfied that it captures all the relevant regulatory requirements.

| TITLE | DATE | SIGNATURE |
|----------------------------|------------------|-----------------------|
| Head of Legal & Compliance | 12 November 2024 | <i>Stuart Samard</i> |
| Group Company Secretary | 12 November 2024 | <i>Nathan Francis</i> |

Do you have a question? Contact the HCF Company Secretary Team:



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