

Board Charter

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This Charter sets out matters relating to the Board of Landcom's governance and operation.

Introduction

Landcom is a statutory State Owned Corporation¹ established under the Landcom Act and the SOC Act. Together with the Constitution, the legislation governs all aspects of Landcom including its principal objectives, powers, authorities and accountability. These documents also contain provisions relating to the Board and its Directors.

This Charter provides further details on the Board's responsibilities and the matters for which the Board has reserved for decision to itself. This Charter also provides for the Board to appoint Committees which may perform some of the functions of the Board or provide advice to the Board.

Defined terms

Term	Definition
Board	means the board of Landcom
CEO	means the Chief Executive Officer
Committee	means Board Committees of Landcom, appointed by the Board, to perform some of the functions of the Board or provide advice to the Board.
Constitution	means the Constitution of Landcom
Corporation	means Landcom
Delegations Manual	means the document approved by the Board setting out the limits of authority of Management
Director	means a director of Landcom
Landcom Act	means the <i>Landcom Corporation Act 2001</i>
Management	collectively means Staff employed to assist the CEO with the day to day management of Landcom
Senior Management	consists of members of the Executive Committee of Landcom
Staff	collectively means the CEO, all permanent and temporary employees and contingent workers engaged by Landcom.
SOC Act	means the <i>State Owned Corporations Act 1989</i>

Role of the Board

The Board has ultimate responsibility for the performance and commercial success of Landcom and ensuring that it is managed in the best interests of the Shareholder Ministers and all

¹ S 20A and Schedule 5 SOC Act

stakeholders. The Board is accountable to the Shareholder Ministers in accordance with the Landcom Act, SOC Act and the Constitution.²

Powers of the Board

All decisions relating to the operation of Landcom must be made by or under the authority of the Board³. The CEO is responsible for the day to day management of the operation of Landcom⁴. Landcom employs Management to assist with day to day operations. The limits to the authority of Management are set out in the Delegations Manual approved by the Board, and the general policies and specific directions of the Board and Committees recorded in Board and Committee minutes and approved delegation documents.

All matters outside Board approved delegations given to CEO and Management must be referred to the Board or relevant Committee for approval.

The Landcom Act prescribes the authority of the Board in relation to certain significant acquisitions and disposals. Written approval must be provided by the Shareholder Ministers before acquiring or disposing of real property over the thresholds set out in the Landcom Act⁵.

Responsibilities of the Board

The Board's responsibilities are to:

1. Set the tone for Landcom's culture together with monitoring, measuring and assessing the culture;
2. Promote the critical importance of work, health and safety and an appropriate risk culture relating to those matters;
3. Demonstrate leadership, set major corporate goals and provide strategic direction;
4. Provide input into, review and approve the Strategic Plan, Statement of Corporate Intent and Business Plan, Ministerial Statement of Priorities and other major plans and ensure performance objectives are included;
5. Oversee Management's implementation of the Strategic Plan, Statement of Corporate Intent and Business Plan, Ministerial Statement of Priorities and other major plans, and monitor operational and financial performance objectives generally;
6. Monitor the implementation of approved strategies, guidance and directions from the Shareholder Ministers and the Portfolio Minister;
7. Approve and review the progress of major capital expenditure, capital management, acquisitions and disposals and other significant financial matters outside the express authorities delegated to the CEO, make recommendations to the Shareholder Ministers where required, and advise the Portfolio Minister where appropriate;

² S 8 Landcom Act, s 20J SOC Act

³ S.20L SOC Act and the Constitution.

⁴ S.20L SOC Act

⁵ S 15 Landcom Act, currently \$30,000,000.00

8. Approve and monitor the integrity of financial and other reporting, including the annual and half yearly financial statements;
9. Determine the Corporation's risk appetite within which the Board expects all Staff to operate, and provide rigorous oversight of risk, including but not limited to, review of the effectiveness of the risk management framework and internal control systems in relation to material business risks and regulatory compliance;
10. Review the policy, procedures and processes for meeting Landcom's obligations for continuous, proactive and timely disclosure to Shareholder Ministers and Portfolio Minister of material information related to the commercial performance of Landcom and on matters which may raise community concerns⁶;
11. Establish and oversee Committees;
12. Approve, and review as needed, delegations of authority to Committees, CEO and Management;
13. Satisfy itself that Landcom is compliant with relevant government policies;
14. Monitor the effectiveness of the Landcom's governance practices;
15. Support the CEO and ensure that the CEO and Staff have access to appropriate resources to implement approved strategy, the Statement of Corporate Intent and Business Plan, Ministerial Statement of Priorities, major plans and all Ministerial Directions;
16. Ensure discussions with the CEO and Staff are appropriately focussed and maintain separation of the Board and Management so as to not involve itself in day to day management of Landcom;
17. Satisfy itself that appropriate processes exist for relevant information to be reported by Management to the Board and provide clear feedback on the quality and type of information and inputs provided from Management to facilitate complex decision making;
18. Make recommendations to the Shareholder Ministers and Portfolio Minister in relation to the appointment⁷, terms of employment and remuneration of the CEO;
19. Review the CEO's performance including against approved objectives; and
20. Confer with the CEO in relation to the CEO's decision to:
 - a. Appoint any person to the role of Executive General Manager; and
 - b. Determine the remuneration framework and succession planning for Executive General Manager roles.

Responsibilities to stakeholders

The Board's primary accountability is to the Shareholder Ministers and the Portfolio Minister in accordance with its responsibilities under the Landcom Act, the SOC Act and the Constitution. The Board also has responsibilities to other key stakeholders including Staff, the community, NSW Treasury who act as the representative of the Shareholder Ministers, and regulators.

⁶ TPPI7-10 Guide 1 Principle 5, p.15

⁷ S 9 Landcom Act (Shareholder Ministers and Portfolio Minister) and s 20K SOC Act (Portfolio Minister)

Directors' duties

Directors must comply with their duties under the SOC Act, Landcom Act, Constitution and at law.

Directors must also comply with the Landcom's Code of Conduct, NSW Treasury and other applicable government Guidelines, and with all Landcom policies that are applicable to them.

Chair and Director appointment

The Chair of the Board and Directors are appointed and reappointed, in accordance with Board Appointments for State Owned Corporations and Other Commercial Government Businesses (TPP18-08) which forms part of the NSW Treasury Commercial Policy Framework⁸. Directors, in the opinion of the Shareholder Ministers and the Portfolio Minister, will assist Landcom to achieve its principal objectives⁹.

The CEO may be appointed as a Director¹⁰.

Directors are generally appointed for a term of three years and are generally limited to two terms, as determined by the Shareholder Ministers in consultation with the Portfolio Minister¹¹.

Board composition

The Landcom Act and the SOC Act prescribe the composition of the Board. Each Director may sit on no more than two other government boards¹².

The Board should review its composition, structure and operation regularly to ensure it is appropriate for the evolving needs of Landcom. This should include considering the ongoing appropriateness of the current composition of the Board and its impact on Directors' workloads and formulate the most suitable composition of the Board and make recommendations to Shareholder Ministers and the Portfolio Minister to enable appropriate governance of Landcom.

Director independence and conflicts of interest

Directors are independent if they are free from any relationships or circumstances that could materially interfere with, or be perceived to materially interfere with, the independent exercise of their judgement. Director independence is assessed with regard to the Guidelines for Governing Boards of Government Businesses (TPP17-10) that form part of the Treasury Commercial Policy Framework.

⁸ S 8 Landcom Act

⁹ S 20J SOC Act

¹⁰ S 8(4) Landcom Act

¹¹ TPP17-10 Guide 1 Principle 2

¹² TPP17-10 Guide 1 Principle 2, p.11

Directors must comply with Landcom's Handling Conflicts of Interest Policy and disclose any perceived, actual or potential conflicts of interest. Directors must satisfy the Board that they have put measures in place to manage conflicts identified, or removed the conflict. If it is not possible to remove or manage the conflict, the Director involved must not receive Board reports on the matter, must leave the room during any deliberation or voting, and their entry and exit must be recorded in the minutes.

Where a conflict significantly affects a Director's ability to take part in the majority of the Board's deliberations that Director should resign from the Board.

However, the Board may determine and resolve that it is satisfied that the interest does not disqualify the Director involved, who may then receive Board reports on the matter and take part in deliberation and voting. In this case, the conflict involved and the reasons for the decision not to exclude the Director must be recorded in the minutes.

Directors should consult with the Chair before accepting a new external role or appointment to consider whether a perceived, actual or potential conflict of interest may arise. Directors should notify the Chair and the Company Secretary as soon as practicable of any changes to their interests. The Company Secretary will maintain a full register of Directors' interests and provide a summary of this for each scheduled Board meeting.

Independent advice

The Board may obtain independent professional advice as to any matters pertaining to the responsibilities of the Board.

Individual Directors may obtain independent advice to assist them in discharging their duties subject to obtaining prior written approval from the Chair. For the Chair to obtain independent advice, prior written approval must be obtained from the Chair of the Audit & Risk Management Committee.

Expenses incurred to obtain this advice are the responsibility of Landcom.

Access to Management and information

The Board will approve and publish protocols from time to time to facilitate Directors having appropriate access to Staff and to any information of Landcom, as required, to carry out their duties. Board approved protocols will have regard to balancing:

- The legitimate needs of Directors in the performance of their duties and responsibilities;
- The need for Management to have clarity on requirements and expectations, and
- Practicalities on timeliness, priorities and scope.

Standing protocols provide for:

- Direct personal access to the CEO and Senior Management so that they are available to be contacted between Board meetings by prior arrangement;

- Contact between Directors and Staff, other than the CEO and Senior Management, is to be made only through the respective EGM and the Company Secretary;
- The Company Secretary to be copied on all correspondence and electronic communications between Directors and Management, subject to confidentiality, to permit an integrated approach and understanding of Director Information requests and flow;
- Telephone discussions between Directors and any member of Staff should be confirmed in writing via email as to the nature of the discussion, copying the Company Secretary, subject to confidentiality.

Directors and Management should have regard to the Board approved Board Document Management Protocol for the provision, retention and destruction of Board papers and Directors' accessibility to 'inspect the books of the company (including its financial records) at all reasonable times for the purposes of a legal proceeding'¹³ for a period of seven years following the cessation as a Director of Landcom.

Director Remuneration

The Shareholder Ministers, in consultation with the Public Sector Commission under the *Classification and Remuneration Framework for NSW Government Boards and Committees*, determine the remuneration that Directors receive for their work as members of the Board.

Performance evaluation

The Board will evaluate its own performance annually to consider the extent to which it has met its responsibilities under this Charter and to identify opportunities for continual improvement. The review may also encompass the performance of Committees and of individual Directors.

The Board will approve a process for the review, which may include its scope, performance measures (qualitative or quantitative) and will engage an independent consultant to conduct the review at least each alternate year, or as otherwise determined by the Board from time to time, but not less frequently than every three years. The outcomes of the review will be considered by the Board.

Role of the Chair

The Chair is the Board's lead Director, who brings experience, skills and leadership to facilitate effective governance. The Chair must be an independent Director and must not act as Landcom's CEO.

The key responsibilities of the Chair are to:

- Help the Board develop constructive relationships with the Shareholder Ministers, the Portfolio Minister, the CEO, Staff and other key stakeholders;

¹³ Section 198F, *Corporations Act 2001*

- Oversee the Board's discharge of its role and responsibilities including promoting Landcom's culture as set by the Board;
- Help the Board and Directors understand their role, responsibilities and accountability;
- Facilitate the effective contribution of all Directors, including promoting good working relationships between Directors;
- Facilitate the flow of information to Shareholder Ministers and the Portfolio Minister;
- Oversee effective Board, Committee and Director evaluation processes as needed;
- Establish the agenda for Board meetings in conjunction with the CEO and the Company Secretary;
- Preside over Board meetings and lead the Board's deliberations, including managing available time to address the matters for consideration;
- Be the major point of contact between the Board and the CEO and keep informed of significant current events between Board meetings;
- Ensure appropriate secretariat support is provided;
- Provide, where required or requested, input into the nomination, selection and recruitment process for Directors; and
- Act as a sounding board and mentor to the CEO.

The Board may elect a Deputy Chair to take on the Chair's role if the Chair is absent.

Role of the CEO and Senior Management

The CEO is responsible for the day to day management and leadership of Landcom and its people, business and operations in accordance with the specific directions of the Board, general policies and relevant Board delegations, including those set out in the Delegations Manual.

Senior Management is responsible for providing the Board with accurate, timely and clear information on Landcom's operations, to enable the Board to meet its responsibilities

Role of the Company Secretary

The Company Secretary is responsible for the corporate governance arrangements of Landcom and the effective administration of the Board's affairs.

The key responsibilities of the Company Secretary are to:

- Work with the Chair and CEO to manage the preparation of agendas and reporting for Board and Committee meetings and their timely dispatch to Directors;
- Attend Board and Committee meetings and prepare minutes and monitor requested actions;
- Maintain confidentiality of sensitive Board matters;
- Facilitate the effective exchange of information between the Board, Committees and Senior Management;
- Regularly review the Board's policies and procedures to ensure they continue to be appropriate and deliver the desired outcomes;

- Organise meeting facilities and other meeting logistics; and
- Provide proactive advice on matters including Directors' duties, corporate governance, policy and procedures and compliance or as otherwise requested by the Chair, the Board, Committees or the CEO from time to time.

All Directors have direct access to the Company Secretary.

The Company Secretary is accountable to the Board and the appointment or removal of a Company Secretary must be approved by the Board.

Board meetings

The Board may meet as often as the Directors consider it necessary for the Board to discharge its duties and responsibilities. Meetings may be attended in person, by phone or video conference.

The Board may address matters that require a decision between meetings by circular resolution as it sees fit.

A quorum for each Board meeting is a majority of Directors each of whom is entitled to vote on an item of business.

Where Directors do not reach a decision by consensus, individual Directors may request that their dissent or abstention is recorded.

The CEO and the Company Secretary may attend each Board meeting by standing invitation, unless otherwise requested by the Chair, but will have no voting rights (unless the CEO is also a Director) and may be asked to leave at any time. Other members of Management may be required to attend meetings as requested by or agreed with the Chair and Directors.

The Company Secretary, in conjunction with the Chair and the CEO, shall prepare an agenda for each meeting which shall be circulated to the Board, and the Executive Committee as applicable, via the electronic board portal Diligent, together with supporting documentation, within a reasonable period in advance of the meeting, usually at least one week prior to each meeting.

Draft minutes of each Board meeting will be prepared by the Company Secretary and reviewed by the Chair. The draft Minutes will then be circulated to all Directors and tabled at the next meeting of the Board for approval.

The Company Secretary will maintain a forward agenda which sets out the scheduled matters to be addressed by the Board for the following 12 month period and to assist the Board in determining the extent to which it has met its responsibilities under this Charter.

Committees

The Board may establish standing or special purpose Committees to assist it in discharging its duties and responsibilities. The Board may delegate authorities to its Committees as it sees fit, however the ultimate responsibility for these matters is retained by the Board. The Board determines the composition, membership and Chair of its Committees.

The Board has established the Audit & Risk Management Committee and the People & Culture Committee as standing Committees.

Minutes of all Committee meetings are provided to the Board. Where all Directors are not present at a Committee meeting, the Committee Chair will report significant matters at the next possible Board meeting.

The role, function and operation of each Committee will be set out in a written charter approved by the Board. Committees review their charters each year and recommend changes to the Board for approval.

Document Control Table

Document information	
Document approver	Board of Directors
Document owner name	Board of Directors
Document delegate name/s	Company Secretary
Document version number	8.0
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Document review cycle	Annually
Next document review date	March 2023
Document location	External use Landcom.com.au
Document level	1

Linked artefacts	
Linked documents	Code of Conduct Delegations Manual Handling Conflicts of Interest Policy Landcom Constitution Board Document Management Protocol NSW Treasury Commercial Policy Framework
Linked legislation	Landcom Corporation Act 2001 State Owned Corporations Act 1989
Linked risks	Reputational Operational Work Health & Safety Financial

Revision history			
Version	Approval date	Author	Description
8.0	25/03/2021	Company Secretary	Review of Charter to ensure accurate reflection of the Board's desired governance outcomes, including reference to Board Document Management Protocol and flexibility in obtaining an independent external Board Performance Evaluation.
7.0	26/03/2021	Company Secretary	Review of Charter to update and consolidate contents.
6.0	28/02/2020	Company Secretary	Full review of Charter
5.0	22/02/2019	Company Secretary	Revised Charter including updates to the requirements under the Code of Conduct, the name of a Board committee and reference to documents contained in the NSW Treasury Commercial Policy Framework.