

Board Governance Principles

Bridge Housing Limited Governance Principles

Scope

The Board Governance Principles apply to Bridge Housing Limited and all its related entities.

Corporate not individual

Bridge Housing Limited directors' role is to act in the best interest of the organisation. They do not represent particular constituencies or interests as directors and accept that their role is 'corporate' not 'individual'.

The board speaks with one voice. This does not preclude diversity of opinion or stifle board discussion. Directors should speak freely and openly within the board. Once the board has made a decision, then all board members must accept this decision, implement the decision and support the decision.

Corporate Governance Principles

Directors and management are committed to ensuring sound governance principles are maintained and applied in governing the company. Although we are not a listed entity, our statement of Corporate Governance is derived from the ASX's Corporate Governance Council Corporate Governance Principles and Recommendations. The ASX has outlined eight key principles for corporate governance, which the board has adopted as a robust framework for governance.

Recommendations

Each recommendation is considered below, along with how the company applies the recommendation.

Principle 1: Lay Solid Foundations for Management and Oversight

The company should clearly delineate the respective roles and responsibilities of its board and management and regularly review their performance.

#	Recommendation for listed entities	How the company applies it
1.1	A listed entity should have and disclose a board charter setting out: (a) the respective roles and responsibilities of its board and management; and (b) those matters expressly reserved to the board and those delegated to management.	The company has, and discloses on its website, a board charter that sets out the roles and responsibilities of its board and management. The company also has a schedule of delegations which includes those matters expressly reserved to the board and those delegated to management.
1.2	A listed entity should: (a) undertake appropriate checks before appointing a director or senior executive or putting someone forward for election as a director; and (b) provide security holders with all material information in its possession relevant to a decision on whether or not to elect or re-elect a director.	<p>The company undertakes appropriate checks before appointing a director or senior executive or putting someone forward for election as a director, in accordance with the Director Appointment and Induction Policy.</p> <p>The company provides members with material information in its possession relevant to a decision on whether or not to elect or re-elect a director in accordance with the constitution.</p>
1.3	A listed entity should have a written agreement with each director and senior executive setting out the terms of their appointment.	<p>The company has a written agreement setting out the terms of appointment with:</p> <ul style="list-style-type: none"> • each director in accordance with the Director Appointment and Induction Policy; and • each member of the senior executive in accordance with the relevant employment policies.
1.4	The company secretary of a listed entity should be accountable directly to the board, through the chair, on all matters to do with the proper functioning of the board.	Each company secretary is accountable directly to the board, through the chair, on all matters to do with the proper functioning of the board.

1.5	<p>A listed entity should: (a) have and disclose a diversity policy; (b) through its board or a committee of the board set measurable objectives for achieving gender diversity in the composition of its board, senior executives and workforce generally; and (c) disclose in relation to each reporting period: (1) the measurable objectives set for that period to achieve gender diversity; (2) the entity's progress towards achieving those objectives; and (3) either: (A) the respective proportions of men and women on the board, in senior executive positions and across the whole workforce (including how the entity has defined "senior executive" for these purposes); or (B) if the entity is a "relevant employer" under the Workplace Gender Equality Act, the entity's most recent "Gender Equality Indicators", as defined in and published under that Act. If the entity was in the S&P/ASX 300 Index at the commencement of the reporting period, the measurable objective for achieving gender diversity in the composition of its board should be to have not less than 30% of its directors of each gender within a specified period.</p>	<p>The company has a Diversity and Inclusion policy and discloses relevant information relating to gender and cultural diversity in its board, senior executive and workplace.</p>
1.6	<p>A listed entity should: (a) have and disclose a process for periodically evaluating the performance of the board, its committees, and individual directors; and (b) disclose for each reporting period whether a performance evaluation has been undertaken in accordance with that process during or in respect of that period.</p>	<p>The board charter and each subcommittee charter includes a process for periodically evaluating the performance of the board, its committees and individual directors.</p> <p>The Annual Report discloses for each reporting period whether a performance evaluation has been undertaken in accordance with that process during or in respect of that period.</p>
1.7	<p>A listed entity should: (a) have and disclose a process for evaluating the performance of its senior executives at least once every reporting period; and (b) disclose for each reporting period whether a performance evaluation has been undertaken in accordance with that process during or in respect of that period.</p>	<p>The company has a performance evaluation policy for regularly reviewing the performance of its senior executives and addressing any issues that may emerge from its review.</p> <p>Adherence with the policy is reported to the board at least annually.</p>

Principle 2: Structure the Board to be effective and to add value

The board should be of an appropriate size and collectively have the skills, commitment and knowledge of the entity and the industry in which it operates, to enable it to discharge its duties effectively and to add value.

#	Recommendation for listed entities	How the company applies it
2.1	The board of a listed entity should: (a) have a nomination committee which: (1) has at least three members, a majority of whom are independent directors; and (2) is chaired by an independent director, and disclose: (3) the charter of the committee; (4) the members of the committee; and (5) as at the end of each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or (b) if it does not have a nomination committee, disclose that fact and the processes it employs to address board succession issues and to ensure that the board has the appropriate balance of skills, knowledge, experience, independence and diversity to enable it to discharge its duties and responsibilities effectively.	<p>The People and Governance committee includes nomination responsibilities. The membership of the subcommittee includes at least three non-executive directors. The Subcommittee Charter is disclosed on the website.</p> <p>The members and chair of the committee, the number of times the committee met throughout the period, and the individual attendances of the members at those meetings are disclosed annually.</p>
2.2	A listed entity should have and disclose a board skills matrix setting out the mix of skills that the board currently has or is looking to achieve in its membership.	The board determines board size and composition, subject to limits imposed by the constitution. At least annually, the board discloses a board skills matrix setting out the mix of skills that the board currently has or is looking to achieve in its membership.
2.3	A listed entity should disclose: (a) the names of the directors considered by the board to be independent directors; (b) if a director has an interest, position or relationship that might raise issues about the independence of a director of an entity but the board is of the opinion that it does not compromise the independence of the director, the nature of the interest, position or relationship in question and an explanation of why the board is of that opinion; and (c) the length of service of each director.	The company's website discloses the names of all non-executive directors and the length of service of each director (executive, and non-executive), as well as any interest, position or relationship that might raise issues about the independence of the director.

2.4	A majority of the board of a listed entity should be independent directors.	The majority of the board are non-executive directors.
2.5	The chair of the board of a listed entity should be an independent director and, in particular, should not be the same person as the CEO of the entity.	The chair of the board must be a non-executive director and cannot be the CEO.
2.6	A listed entity should have a program for inducting new directors and for periodically reviewing performance.	The Director Appointment and Induction Policy includes the program for inducting new directors. The board undertakes periodic evaluation and review and including by identifying whether existing directors to undertake professional development to maintain the skills and knowledge needed to perform their role as directors effectively.

Principle 3: Instil a culture of acting lawfully, ethically and responsibly

The company should instil and continually reinforce a culture across the organisation of acting lawfully, ethically, and responsibly. The company conducts its business to the highest standards of honesty, integrity, respect, and fairness when dealing with all its customers and employees. Both employees and board members are required to meet these high standards.

#	Recommendation for listed entities	How the company applies it
3.1	A listed entity should articulate and disclose its values.	The company's Values are disclosed on the website.
3.2	A listed entity should: (a) have and disclose a code of conduct for its directors, senior executives and employees; and (b) ensure that the board or a committee of the board is informed of any material breaches of that code.	The company has a Code of Conduct which applies to its directors and employees. Material breaches of the Code of Conduct are reported to the People and Governance Committee.
3.3	A listed entity should: (a) have and disclose a whistleblower policy; and (b) ensure that the board or a committee of the board is informed of any material incidents reported under that policy.	The company has a Whistleblower Policy and material incidents reported under that policy are reported to the Finance, Risk and Audit Committee.
3.4	A listed entity should: (a) have and disclose an anti- bribery and corruption policy; and (b) ensure that the board or a committee of the board is informed of any material breaches of that policy.	The company has an Ethics Policy (including anti bribery and corruption) and material incidents reported under that policy are reported to the Finance Risk and Audit Committee.

Principle 4: Safeguard the integrity of corporate reports

The company should have appropriate processes to verify the integrity of its corporate reports.

#	Recommendation for listed entities	How the company applies it
4.1	The board of a listed entity should: (a) have an audit committee which: (1) has at least three members, all of whom are nonexecutive directors and a majority of whom are independent directors; and (2) is chaired by an independent director, who is not the chair of the board, and disclose: (3) the charter of the committee; (4) the relevant qualifications and experience of the members of the committee; and (5) in relation to each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or (b) if it does not have an audit committee, disclose that fact and the processes it employs that independently verify and safeguard the integrity of its corporate reporting, including the processes for the appointment and removal of the external auditor and the rotation of the audit engagement partner.	<p>The Finance, Risk and Audit Committee includes audit responsibilities. The membership of the subcommittee includes at least three non-executive directors. The chair is not the chair of the board.</p> <p>Each subcommittee charter is disclosed on the website.</p> <p>The members and chair of the committee, the number of times the committee met throughout the period and the individual attendances of the members at those meetings are disclosed annually.</p>
4.2	The board of a listed entity should, before it approves the entity's financial statements for a financial period, receive from its CEO and CFO a declaration that, in their opinion, the financial records of the entity have been properly maintained and that the financial statements comply with the appropriate accounting standards and give a true and fair view of the financial position and performance of the entity and that the opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.	The CEO and CFO provide the audited financial statements to the Finance, Risk and Audit Committee and the board and ensure that the company financial statements present a true and fair view, in all material respects of the company's financial condition and operational results in accordance with relevant standards.
4.3	A listed entity should disclose its process to verify the integrity of any periodic corporate report it releases to the market that is not audited or reviewed by an external auditor.	The financial report of the company is externally audited.

Principle 5: Make Timely and Balanced Disclosure

The company should make timely and balanced disclosure of all matters that may have an adverse impact on its compliance with community housing legislation including matters which may affect its financial viability or financial adequacy.

#	Recommendation for listed entities	How the company applies it
5.1	A listed entity should have and disclose a written policy for complying with its continuous disclosure obligations under listing rule 3.1.	<p>The company must notify its regulator of any significant event which may have an adverse impact on its compliance with community housing legislation.</p> <p>The Ethics Policy of the company should set out the policy for complying with these obligations, including the process for board notifications.</p>
5.2	A listed entity should ensure that its board receives copies of all material market announcements promptly after they have been made.	Although this is not directly applicable, the company must notify its regulator of any significant event which may have an adverse impact on its compliance with community housing legislation.
5.3	A listed entity that gives a new and substantive investor or analyst presentation should release a copy of the presentation materials on the ASX Market Announcements Platform ahead of the presentation.	<p>The company provides information in a timely manner that is factual and expressed in a clear and objective manner to key stakeholders including clients, supporting agencies, funding bodies and members.</p> <p>Mechanisms employed to communicate include:</p> <ul style="list-style-type: none"> • Information technology such as the website and email • Annual tenant and stakeholder survey • Newsletter • Annual General Meeting (AGM) • Annual Reporting

Principle 6: Respect the Rights of BHL Members

The company seeks to ensure that it respects the rights of members and facilitates the effective exercise of those rights.

#	Recommendation for listed entities	How the company applies it
6.1	A listed entity should provide information about itself and its governance to investors via its website.	The company website provides information about Bridge Housing Limited and its governance.
6.2	A listed entity should have an investor relations program that facilitates effective two-way communication with investors.	Strong member and tenant communication is achieved by: <ul style="list-style-type: none"> • Establishing a tenant participation strategy. • Undertaking an annual tenant survey, reporting on the results and what actions will follow. • Promoting an effective communication strategy through our website and printed material that ensures all members are aware of the company's strategy and goals. • Encouraging full participation of members at the AGMs to ensure a high level of accountability and understanding of the company's strategy and goals.
6.3	A listed entity should disclose how it facilitates and encourages participation at meetings of security holders.	The company's website includes details about becoming a member and participating in the AGM.
6.4	A listed entity should ensure that all substantive resolutions at a meeting of security holders are decided by a poll rather than by a show of hands.	Substantive resolutions at a meeting of members are decided by a poll rather than show of hands, if more than 100 members are registered to vote.
6.5	A listed entity should give security holders the option to receive communications from, and send communications to, the entity and its security registry electronically.	Members are given the option to receive communications from, and send communications to, the company electronically.

Principle 7: Recognise and Manage Risk

The company should establish a sound risk management framework and periodically review the effectiveness of that framework.

#	Recommendation for listed entities	How the company applies it
7.1	<p>The board of a listed entity should: (a) have a committee or committees to oversee risk, each of which: (1) has at least three members, a majority of whom are independent directors; and (2) is chaired by an independent director, and disclose:</p> <p>(3) the charter of the committee; (4) the members of the committee; and (5) as at the end of each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or (b) if it does not have a risk committee or committees that satisfy (a) above, disclose that fact and the processes it employs for overseeing the entity's risk management framework.</p>	<p>The Finance, Risk and Audit committee includes risk responsibilities. The membership of the subcommittee includes at least three non-executive directors.</p> <p>The Subcommittee Charter is disclosed on the website.</p> <p>The Annual Report discloses the members and chair of the committee, the number of times the committee met throughout the period and the individual attendances of the members at those meetings.</p>
7.2	<p>The board or a committee of the board should:</p> <p>(a) review the entity's risk management framework at least annually to satisfy itself that it continues to be sound, and that the entity is operating with due regard to the risk appetite set by the board; and (b) disclose, in relation to each reporting period, whether such a review has taken place.</p>	<p>The Risk Management Plan of the board is responsible for overseeing and approving risk management strategy and policies, internal compliance, and internal control. The Risk Management Plan is designed to: identify, assess, monitor, and manage risk and identify material changes to the company's risk profile. It sets a risk appetite statement against which strategic risks are measured.</p> <p>The Annual Report discloses whether the board has reviewed the Risk Management Plan and the strategic risks.</p>
7.3	<p>A listed entity should disclose: (a) if it has an internal audit function, how the function is structured and what role it performs; or (b) if it does not have an internal audit function, that fact and the processes it employs for evaluating and continually improving the effectiveness of its governance, risk management and internal control processes.</p>	<p>The Finance, Risk and Audit Committee includes oversight of audit functions, and the subcommittee charter sets out the processes it employs for evaluating and continually improving the effectiveness of its governance, risk management and internal control processes.</p>

7.4	A listed entity should disclose whether it has any material exposure to environmental or social risks and, if it does, how it manages or intends to manage those risks.	<p>The board's strategic environmental or social risks are managed through the Risk Management Plan and ESG Framework.</p> <p>These risks may include but are not limited to operational, environmental, sustainability, compliance, strategic, ethical conduct, reputation service quality, human capital, and financial reporting risks.</p> <p>The board will report annually on how it is implementing its ESG Framework to manage the applicable risks.</p>
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Principle 8: Remunerate Fairly and Responsibly

The company will have remuneration policies in place to attract, retain and motivate qualified and motivated employees. The board will review and recommend the remuneration for the CEO and approve the framework for staff remuneration. The Board is also responsible for reviewing the performance of the CEO.

#	Recommendation for listed entities	How the company applies it
8.1	<p>The board of a listed entity should: (a) have a remuneration committee which: (1) has at least three members, a majority of whom are independent directors; and (2) is chaired by an independent director, and disclose: (3) the charter of the committee; (4) the members of the committee; and (5) as at the end of each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or</p> <p>(b) if it does not have a remuneration committee, disclose that fact and the processes it employs for setting the level and composition of remuneration for directors and senior executives and ensuring that such remuneration is appropriate and not excessive.</p>	<p>The People and Governance committee includes remuneration responsibilities. The membership of the subcommittee includes at least three non-executive directors.</p> <p>The subcommittee charter is disclosed on the website.</p> <p>The Annual Report discloses the members and chair of the committee, the number of times the committee met throughout the period and the individual attendances of the members at those meetings.</p>

8.2	A listed entity should separately disclose its policies and practices regarding the remuneration of non-executive directors and the remuneration of executive directors and other senior executives.	<p>The website and Annual Report should make it clear that non-executive directors are not remunerated and that executive directors are not remunerated for their role as director.</p> <p>Senior executives are paid fixed remuneration which should be reasonable and fair, taking into account the entity's obligations at law and labour market conditions, and should be relative to the scale of the entity's business. It should reflect core performance requirements and expectations.</p>
8.3	A listed entity which has an equity-based remuneration scheme should: (a) have a policy on whether participants are permitted to enter into transactions (whether through the use of derivatives or otherwise) which limit the economic risk of participating in the scheme; and (b) disclose that policy or a summary of it.	The company does not have an equity-based remuneration scheme.

Additional recommendations

#	Recommendation for listed entities	How the company applies it
9.1 9.2	<ul style="list-style-type: none"> A listed entity established outside Australia should ensure that meetings of security holders are held at a reasonable place and time. A listed entity established outside Australia, and an externally managed listed entity that has an AGM, should ensure that its external auditor attends its AGM and is available to answer questions from security holders relevant to the audit. 	The company does not do business outside Australia.