
Corporate governance charter

QAHC Limited ACN 132 604552 [Trading as National Affordable Housing Consortium-NAHC]

Adopted on 10th September 2014

Reviewed:

| | |

Table of contents

1	Definitions and interpretation -----	1
1.1	Definitions	1
1.2	Interpretation	3
2	Board Charter -----	4
2.1	Introduction	4
2.2	Guiding principle	4
2.3	Functions of the Board	4
2.4	Responsibilities of Board	4
2.5	Board Composition	5
2.6	Independence of Directors	6
2.7	Appointment and retirement of Directors	6
2.8	Background checks	6
2.9	Performance review and evaluation of Directors	6
2.10	Training and advice for Directors	7
2.11	Board meetings	7
2.12	Secretary	7
2.13	Committees	8
2.14	Business risks	8
2.15	Communication with Shareholders	8
2.16	Recognition of interests of stakeholders	9
2.17	NAHC budget	9
2.18	CEO and CFO responsibilities	9
3	Code of Conduct -----	10
3.1	Objective	10
3.2	Obligation to comply with code and law	10
3.3	General duties	10
3.4	Business judgment rule	11
3.5	Independent decision making and soundness of decisions	11
3.6	Confidentiality of Board matters and other information	12
3.7	Improper use of information	12
3.8	Cooperation	13
3.9	Personal interests and conflicts	13
3.10	Conduct by Directors	13
3.11	Complaints procedure	14

4	Equal Opportunities -----	14
5	Standing rules of Committees -----	14
5.1	Application	14
5.2	Composition	14
5.3	Role	14
5.4	Proceedings	14
5.5	Reporting	15
5.6	Secretary	15
5.7	Performance review and evaluation	15
Schedule 1	-----	16
	Risk Committee charter	16
Schedule 2	-----	19
	Property & Investment Committee charter	19

Corporate governance charter

NAHC Limited ACN 145 239 872

1 Definitions and interpretation

1.1 Definitions

In this document:

Term	Definition
AGM	means NAHC's annual general meeting.
Risk Committee [RC]	means the Committee responsible for the matters set out in Schedule 1.
Property & Investment Committee [PIC]	means the Committee responsible for the matters set out in Schedule 2
ASIC	means the Australian Securities and Investments Commission.
ASX	means ASX Limited ACN 008 624 691 or the securities exchange operated by it (as the case requires).
Board	means the board of Directors.
Board Charter	means the charter of corporate governance in relation to the Board.
Chairman	means the chairman of the Board.
Deputy Chairman	means a director who is elected by the Board as the deputy chairman of the Board for a specified period
CEO	means the executive officer (by whatever title known, whether chief executive officer, managing director or otherwise) with responsibility for the strategic and operational management of the group.
Code of Conduct Committee	means the code of conduct set out in paragraph 3.
Constitution	means a committee of the Board.
Disclosure Policy	means NAHC's constitution.
CFO	means the Company's policy regarding disclosure
Company or NAHC Corporations Act	means NAHC's chief financial officer or equivalent officer (by whatever title known).
Director	means QAHC Limited ACN 132604552 trading as NAHC means <i>Corporations Act 2001</i> (Cth).
	means a director of NAHC.

Term	Definition
Diversity	means but is not limited to diversity of gender, age, disability, ethnicity, marital or family status, religious or cultural background, sexual orientation and gender identity.
Diversity Policy	means the Company's policy regarding Diversity
Group	means NAHC and any controlled entities.
Policies and Procedures	means the policy and procedures applicable to NAHC from time to time, as adopted by the Board.
Independent Director	<p>means a Director who is not a Senior Executive and, subject to the overarching provisions of Section 14.2 of the Constitution, who:</p> <ul style="list-style-type: none"> (a) has not, within the last three years: <ul style="list-style-type: none"> (i) been employed in an executive capacity by NAHC; or (b) has not, within the last three years, been a principal of a professional advisor to NAHC or an employee materially associated with the service provided, except where the advisor might be considered to be independent due to the fact that fees payable by NAHC to the advisor's firm represent an insignificant component of the advisor's firm overall revenue; (c) has not, within the last three years, been: <ul style="list-style-type: none"> (i) a material supplier or customer of NAHC; or (ii) an officer of or associated, directly or indirectly, with a material supplier or customer; (d) has no material contractual relationship with NAHC or another Group member other than as a Director; (e) is free from any interest and any business or other relationship, which could, or could reasonably be perceived to, materially interfere with the Director's ability to act in NAHC's best interests; (f) does not have close family ties with any person who falls within any of the categories described in paragraphs (a) to (f) above; and (g) has not served on the Board for a period which could, or could reasonably be perceived to, materially interfere with the Director's ability to act in NAHC's best interests.

Term	Definition
Financially Sensitive Information	<p>means information that:</p> <ul style="list-style-type: none"> (a) relates to the financial affairs of NAHC (b) may give a person or persons an advantage in dealing with the Company, over and above those of other persons, stakeholders or business entities (c) may be used for, or create a perception of, unfair dealing with the Company <p>For the avoidance of doubt, the following will be typically regarded as Financially Sensitive Information:</p> <ul style="list-style-type: none"> (a) a transaction that will lead to a significant change in the nature or scale of NAHC's activities; (b) a material acquisition or disposal; (c) the granting or withdrawal of a material licence; (d) the entry into, variation or termination of a material agreement; (e) NAHC becoming a plaintiff or defendant in a material law suit; (f) the appointment of a liquidator, administrator or receiver; (g) the commission of an event of default under, or other event entitling a financier to terminate, a material financing facility; (h) NAHC giving or receiving a notice of intention to make a takeover; and (i) any rating being applied by a rating agency to NAHC or its securities and any change to such a rating.
Secretary	means the secretary of NAHC
Senior Executives	means the senior management team (excluding Board members), being those who have the opportunity to materially influence the integrity, strategy and operation of NAHC, and its financial performance.
Member	means a paid up member of NAHC

1.2 Interpretation

Concepts not defined in this document which are given a meaning in the Corporations Act have the same meaning as in the Corporations Act.

2 Board Charter

2.1 Introduction

This Charter outlines NAHC's corporate governance practices. If, however, the Constitution is inconsistent with this document, the Constitution prevails to the extent of the inconsistency.

2.2 Guiding principle

Each Director has an overriding responsibility to act in good faith and the best interests of NAHC. In assessing NAHC's best interests, the Board may, however, have regard to the interests of:

- (a) members;
- (b) employees of NAHC; and
- (c) other people or entities with whom NAHC deals.

2.3 Powers of the Board

The Board's powers [Section 14.1 of the Constitution] are:

- (a) to be responsible for the overall direction and control of the management of the Company and the formulation of policies to be applied in carrying out the Company's Charitable Objects;
- (b) to make regulations and by laws consistent with the Constitution for the proper control, administration and management of the Company's finances, affairs and property
- (c) exercise all powers and do all things within the power of the Company
- (d) to appoint and oversee the performance of executive management,

and generally to take an effective leadership role in relation to NAHC

2.4 Responsibilities of Board

The Board's responsibilities include:

- (a) providing leadership and setting the strategic objectives of the Company;
- (b) subject to section 10.1 and 10.2 of the Constitution, determining the Board's composition, including appointment and retirement or removal of the Chairman and Deputy Chairman (if applicable);
- (c) oversight of the Company (including its control and accountability systems);
- (d) appointing and removing the CEO or equivalent;
- (e) reviewing, ratifying and monitoring the risk management framework and setting the risk appetite within which the Board expects management to operate;
- (f) approving and formulating company strategy and policy, monitoring Senior Executive's implementation of strategy;

- (g) approving and monitoring operating budgets and major capital expenditure;
- (h) overseeing the integrity of the company's accounting and corporate reporting systems, including the external audit;
- (i) providing suitable key indicators in industry developments relevant to the Company and its business;
- (j) developing suitable key indicators of financial performance for the Company and its business;
- (k) monitoring management implementation of all corporate strategy and performance objectives developed by management;
- (l) monitoring the Company's compliance
- (m) approving the Company's remuneration framework;
- (n) monitoring the overall corporate governance of the Company (including its strategic direction and goals for management, and the achievement of these goals); and
- (o) oversight of Committees.

2.5 Board Composition

- (a) The Chairman:
 - (i) will be an Independent Director;
 - (ii) is appointed by the Board for any period they decide
 - (iii) is responsible for the Board's leadership and for its efficient organisation and conduct; and
 - (iv) should facilitate the effective contribution by all Directors and promote constructive and respectful relations between Directors, and between the Board and the Senior Executives.
- (b) The Board should comprise:
 - (i) members with a broad range of experience, expertise, skills and contacts relevant to the Company and its business;
 - (ii) no less than 3 Directors and up to 8 Directors of which:
 - (iii) up to 5 Directors are to be elected in accordance to Rule 10.2; and
 - (iv) up to 3 Directors to be appointed by the Board in accordance with Rule 10.1[ii]
 - (v) a majority of Independent Directors.
- (c) The Board will develop processes to define and review the mix of skills and Diversity that the Board currently has or aims to achieve.
- (d) The Board should establish succession criteria and processes to ensure the effective transition of governance into the future

2.6 Independence of Directors

- (a) The Board must regularly assess whether each Director remains an Independent Director in the light of the interests disclosed by them.
- (b) A Director should only be characterised as an Independent Director if they are free of any interest, position, association or relationship that might influence, or reasonably be perceived to influence, in a material respect, their capacity to bring an independent judgment to bear on issues before the Board.
- (c) Each Director must provide the Board with all relevant information for this purpose.
- (d) The independence of Directors will be disclosed in the annual report.

2.7 Appointment and retirement of Directors

- (a) The terms and conditions of the appointment of all new Directors should be set out in a letter of appointment (for non-executive Directors) and service contract (for executive Directors).
- (b) All Directors, excluding the CEO (if a Director), must retire in accordance with the requirements of the Constitution. Retiring Directors may, in these circumstances, be eligible to be re-elected for up to 3 consecutive [3 year] terms.

2.8 Background checks

- (a) The Board should undertake appropriate checks before appointing a person, or putting forward a candidate for election, as a Director.
- (b) Material information in the Board's possession, relevant to whether or not to elect or re-elect a Director, may include:
 - (i) in the case of a new Director, any materially adverse information revealed by checks undertaken; and
 - (ii) for all Directors, details on the independence of the Director.

2.9 Performance review and evaluation of Directors

- (a) The performance of all Directors and Senior Executives should be reviewed and assessed each year by a process to be set, and periodically reviewed, by the Board
- (b) The Chairman's performance should be reviewed and assessed each year by the other Directors.
- (c) The evaluation criteria and process to be followed is the same in each case.
- (d) The Chairman determines the evaluation criteria and process.
- (e) A Director, whose performance is unsatisfactory, may be asked to retire.
- (f) An external assessment of the Board's policies and procedures, and its effectiveness generally, should be conducted by independent professional consultants at intervals of no more than three years.

- (g) The Board should satisfy itself that its performance is efficient so that all Directors meet their obligations and are not exposed to any legal liability.
- (h) Each Director must cooperate fully with any review or assessment of performance, whether collective or individual, and whether conducted by:
 - (i) the Chairman;
 - (ii) any other Director; or
 - (iii) any independent third party externally appointed for the purpose.

2.10 Training and advice for Directors

- (a) Directors must be provided with information about NAHC before accepting the appointment and complete an induction course after their appointment, in each case appropriate for them to discharge their responsibilities.
- (b) Directors must be given access to continuing education in relation to the Company, extending to its business, the industry in which it operates, and other information required by them to discharge their responsibilities.
- (c) Each Director may seek independent legal or other professional advice at NAHC's reasonable expense. Prior approval from the Chairman is required but may not be unreasonably withheld or delayed.

2.11 Board meetings

- (a) The Quorum for Board meeting is two
- (b) Board meetings should occur not less than eight times in any year.
- (c) Papers for Board meetings must be circulated, where practical, at least five days before the relevant meeting.
- (d) Draft minutes of Board meetings (for consideration and approval at the next relevant meeting) should be circulated within ten business days following each meeting.
- (e) The non-executive Directors should meet each financial year for a private discussion of management issues.

2.12 Secretary

The Secretary is accountable to the Board, through the Chairman, on all matters to do with the proper functioning of the Board and is responsible for:

- (a) advising the Board and any Committee on governance matters;
- (b) monitoring this policy and any Committee charter, to ensure they are followed; and
- (c) coordinating the timely completion and despatch of:
 - (i) Board and Committee papers; and
 - (ii) draft minutes of Board and Committee meetings, that accurately capture the business of the meeting, for approval at the next meeting.

- (d) assisting with the organisation and conduct of the induction and professional development of Directors.

2.13 Committees

- (a) The Board may establish (and delegate powers to) Committees to assist the Board to carry out its functions effectively and efficiently. The Board will adopt a charter for each Committee setting the scope of its responsibility and relevant administrative and procedural arrangements.
- (b) The Committees established at the date of this document are:
 - (i) Risk Committee (**RC**) Committee (charter set out in Schedule 1);
 - (ii) Property & Investment Committee (**PIC**) (charter set out in Schedule 2)

2.14 Business risks

- (a) A report from the Risk Committee will be a standing item on the agenda for each regular meeting of the Board.
- (b) Management reports will identify any emerging/changing high or extreme level risk along with proposed corrective action
- (c) NAHC's Policies and Procedures contain risk management procedures that aim to address risk management issues
- (d) The Senior Executives should take steps to ensure staff are provided with, and comply with, NAHC Policies and Procedures.
- (e) The Board should regularly review governance level Policies and Procedures as set out in the NRS Framework.
- (f) The Board should record in its minutes as and when Senior Executives have reported on the effectiveness of NAHC's management of its material business risks.

2.15 Communication with Stakeholders

- (a) Directors disclosure obligations should be a standing item on the agenda for each regular Board meeting.
- (b) The Board should consider the best way to ensure stakeholders and members have access to NAHC's corporate governance policies and practices.
- (c) The annual report must be distributed to all paid up members each year and by electronic means
- (d) The annual report should include relevant information about the operations of the Group during the year, changes in the state of affairs of the Group, and details of future developments.,
- (e) The Members at an AGM should be asked to vote on:
 - (i) proposed major changes in NAHC which may impact on members rights; and
 - (ii) the removal and appointment of Directors, consistent with the Constitution.

- (iii) acceptance of the financial reports; and
- (iv) appointment of the independent auditor
- (f) If resolutions are required to be put to Members before the next AGM, a general meeting will be convened consistent with the Constitution¹
- (g) The Board should encourage the full participation of Members at the AGM and at other general meetings to ensure a high level of accountability and identification with the Group's strategy and goals (which includes considering the use of webcasting and direct voting mechanisms for appropriate meetings).
- (h) The Board should periodically review the Communications & Engagement Strategy and the approval of emails communications which have / may have an impact on the Company.
- (i) Information concerning NAHC should be made available to Members and prospective investors in NAHC products on the Company's website.
- (j) The Board shall review important information disclosures which may have, or have a significant impact on the performance of the Company

2.16 Recognition of interests of stakeholders and a commitment to social value

- (a) NAHC must function within, and operate with a sense of responsibility to, the wider community as well as to members. This sense of responsibility to stakeholders generally is an important part of NAHC role within the broad community and represents not only sound ethics but also good business sense and commercial practice.
- (b) NAHC will develop its social corporate responsibility within a social value framework that enables a balanced approach to commercial, social and environmental outcomes

2.17 NAHCs budget

- (a) An annual budget must be prepared by Senior Executives and approved by the Board prior to the commencement of each financial year.
- (b) Actual results, including both the profit and loss statement and cashflow statement, must be reported on a monthly basis against budget, and revised forecasts for the year are prepared regularly.

2.18 CEO and CFO responsibilities

- (a) Each of the CEO and CFO must state in writing to the Board, when providing it with financial reports, that NAHC's financial reports:
 - (i) have been properly maintained;
 - (ii) present a true and fair view, in all material respects, of NAHC' financial conditions and operational results;
 - (iii) are in accordance with relevant accounting standards; and

¹ In accordance with the Constitution.

- (iv) are founded on a sound system of risk management and internal compliance and control which implements the policies adopted by the Board.
- (b) The CEO is also primarily responsible for:
 - (i) ensuring that NAHC meets its compliance obligations;
 - (ii) notifying the Board of such matters;
 - (iii) monitoring and promoting an understanding within NAHC of compliance;
 - (iv) acting as the contact for media and comment, including analyst briefings and responses to members and stakeholder questions; and

3 Code of Conduct

3.1 Objective

This code seeks to give the Directors guidance on how best to perform its duties, meet its obligations and understand NAHC's corporate governance practices.

3.2 Obligation to comply with code and law

- (a) A Director must, at all times, comply with this code as well as the law.
- (b) All Directors must act with the utmost integrity and objectivity, striving at all times to enhance the reputation and performance of the Company.
- (c) A Board position involves important legal and ethical responsibilities and a commitment to upholding the values of good corporate citizenship, in both individual conduct and corporate actions. A person should not accept a Board position if they have any doubt about their ability to comply with this code.

3.3 General duties

- (a) Directors must:
 - (i) act in good faith in the best interests of NAHC and for a proper purpose;
 - (ii) avoid any actual or perceived potential conflict of interest or duty;
 - (iii) exercise a reasonable degree of care and diligence;
 - (iv) not make improper use of information; and
 - (v) not make improper use of their position.
- (b) Breaches of these duties may expose Directors to potential liability in damages, fines and disqualification.
- (c) A Director, in the exercise of his or her powers, and in the discharge of his or her duties, must exercise the degree of care and diligence that a reasonable person would exercise if he or she were a Director:
 - (i) in the circumstance prevailing;

- (ii) occupying the same position; and
 - (iii) with the same responsibilities within NAHC as the Director.
- (d) A Director is a fiduciary and must act with fidelity and trust in company matters. The Board has been appointed to manage NAHC's affairs and should have regard not only to the interests of Members and stakeholders but (in appropriate circumstances) the interests of other third parties including creditors, regulators and the community.
 - (e) Directors must act with a reasonable degree of care and diligence in the exercise of their powers and duties and to carry out their duties.
 - (f) All Board members should attend at least one educational seminar a year to remain fully informed of matters relevant to their position as a Director.
 - (g) The Company maintains directors' and officers' liability insurance. Directors must be fully aware of the terms of this insurance.

3.4 Business judgment rule

- (a) A director's duty to act with care and diligence may be satisfied where the director:
 - (i) makes a decision in good faith and for a proper purpose;
 - (ii) has no material personal interest in the subject matter of the decision made;
 - (iii) is informed about the subject matter of the decision to the extent the director reasonably believes to be appropriate; and
 - (iv) rationally believes the decision to be in the best interest of the Company.
- (b) The business judgment rule:
 - (i) relates only to decisions about the ordinary business operations of the Company; and
 - (ii) does not relieve a Director from other duties.²
- (c) A business judgment is any decision to take or not to take action relating to the business operations of the Company; it does not apply to any failure to make a decision.

3.5 Independent decision making and soundness of decisions

- (a) A Director must be independent in his or her judgement and actions, and must take all reasonable steps to be satisfied as to the soundness of all Board decisions.
- (b) To satisfy this requirement a Director must:
 - (i) make a reasonable effort to become and remain familiar with the affairs of the Group;
 - (ii) attend all Board meetings and Board functions unless there are valid reasons for non-attendance;

² Such as to act in good faith, not to misuse the position of director and not to make improper use of information obtained because they are, or have been, a director or other officer or employee of the Company.

- (iii) ensure they have a sufficient understanding of accounting matters to fulfil their responsibilities in relation to the Group's financial statements; and
 - (iv) commit the necessary time and energy to Board matters.
- (c) Directors may rely on advice relating to NAHC or the Group or their affairs only where that advice is given or prepared by:
- (i) an employee whom the Director believes on reasonable grounds to be reliable and competent in the relevant subject;
 - (ii) a professional adviser or expert in a subject the Director believes on reasonable grounds to be within the person's professional or expert competence;
 - (iii) another Director or officer on the subject within that Director's or officer's authority; or
 - (iv) a Committee (on which the Director did not serve) on a subject within the Committee's authority.
- (d) Directors should only rely on information or advice if the Director's reliance was made in good faith, after independently assessing the information and advice, considering the Director's knowledge of NAHC and the Group and the complexity of their structure and operations.

3.6 Confidentiality of Board matters and other information

- (a) Directors must keep confidential any Board matters and all confidential information received by the Directors in the course of the exercise of their duties.
- (b) All information received by Directors to carry out their duties must be regarded as confidential and is the property of NAHC
- (c) A Director may not disclose information, or allow it to be disclosed, to any other person unless disclosure is authorised by NAHC or the information is required by law to be disclosed.
- (d) All discussions and resolutions of the Board must also be kept confidential and their content must not be disclosed, or allowed to be disclosed to persons who are not Directors, except in cases where disclosure:
 - (i) has been authorised by NAHC; or
 - (ii) is required by law.
- (e) Authorisation by NAHC is presumed to the extent the Board (or Committee) minutes state or imply that it is intended that disclosure should or can be made to third parties.
- (f) Any Director in any doubt as to his or her obligations of confidentiality or in relation to any matter of disclosure should consult with the Chairman prior to making any disclosure.

3.7 Improper use of information

A Director must not make improper use of information acquired as a Director to gain, directly or indirectly, any personal advantage or any advantage for any other person detrimental to NAHC or the Group.

3.8 Cooperation

- (a) Directors must observe solidarity with Board resolutions and cooperate in their implementation.
- (b) Directors are part of a team and should work cooperatively with the Chairman and other Directors and with management.

3.9 Personal interests and conflicts

- (a) A Director must not take improper advantage of their position as a director or officer.
- (b) No Director may allow any personal interest, or the interest of any associated person, to influence or prejudice the Director's conduct or any Board (or Committee) decision.
- (c) A Director has a duty to avoid any conflict between:
 - (i) the interests of, or duty to, NAHC; and
 - (ii) his or her own personal interests or the interests of, or duty to, any third party.
- (d) Every Director should be actively vigilant for both actual and potential conflicts of interest or duty.
- (e) A Director with a conflict of interest or duty should refrain from voting, or entering into any discussion, at, or even being present during, relevant Board discussions.
- (f) A Director who has any material personal interest in a matter must not be present at a meeting while the matter is being considered and must not vote on the matter.³
- (g) Papers relevant to any matter on which there is a known conflict of interest, or in relation to which there is a material personal interest, will either not be, or be appropriately redacted before being, provided to any Director concerned.
- (h) The Director with a conflict of interest should seek a ruling from the Chairman on the appropriate action to take. If the Chairman has a conflict of interest, [s]he should vacate the Chair and the Deputy or Acting Chairman shall make a ruling on the appropriate action to take.
- (i) All such declarations and all rulings shall be recorded in the Minutes

3.10 Conduct by Directors

- (a) A Director must not engage in conduct likely to discredit NAHC or damage the Company's reputation.
- (b) Each Director should be aware of, and observe, any standing orders adopted by the Board from time to time for the conduct of Board and Committee meetings.
- (c) Directors must at all times comply with the spirit as well as the letter of the law and with the principles of this code.
- (d) Directors should conduct themselves at all times in a sober, polite, lawful and restrained manner in carrying out their duties, at both Board and Committee meetings, at Company

³ A personal interest may be either direct or indirect and either pecuniary or otherwise.

functions and meetings, and where otherwise dealing with matters concerning or involving the Company.

3.11 Complaints procedure

- (a) Directors are bound by the NAHC complaints policy and procedure
- (b) Directors may be approached by Members, staff or other persons who have a complaint about a matter relating to NAHC. Any such complaint must be handled under the relevant policy and procedure. If a Director is unsure how to handle a complaint the matter should be referred to the Chairman for guidance.
- (c) The CEO and Senior Executives must each ensure NAHC risk management and internal compliance and control systems are operating efficiently and effectively in all material respects, and provide a detailed statement to the Board about this with each financial report.

4 Equal Opportunities Policy

- (a) The Company is committed to fostering a governance culture that embraces equal opportunities and will periodically monitor and review NAHC's Equal Opportunities policy

5 Standing rules of Committees

5.1 Application

These rules apply to, and are deemed incorporated into the charter of each Committee, except to the extent of any conflict with any of its terms.

5.2 Composition

- (a) Each Committee must consist of a majority of non-executive Directors, whom are also Independent Directors.
- (b) The chairman of each Committee must be an Independent Director appointed by that Committee.
- (c) The Chairman of the Board may not be the Chairman of the Risk Committee.
- (d) Each Committee must consist of no fewer than three members.
- (e) Committees are appointed by the Board and serve as the Board determines.

5.3 Role

Each Committee's role is to improve the efficiency of the Board through accepting the delegation of tasks and performing them in a forum where they can receive greater attention to detail than would be practical solely at Board level.

5.4 Proceedings

- (a) Any meeting may be held by means of conference call or any other means of communication that may, under the Corporations Act or the Constitution, be used for Board meetings.

- (b) The quorum for a Committee meeting is any two members.
- (c) A Director may attend (but not vote at) a meeting of a Committee of which that Director is not a member, as the Committee determines, for discussion of any particular matter relevant to that Director or in relation to which that Director may have a special contribution to make.
- (d) A Committee may delegate any specific task to one of its members or to a sub-committee consisting of two or more of its members.

5.5 Reporting

Each Committee must report to the Board after each Committee meeting, and provide a copy of the minutes.

5.6 Secretary

The Secretary has responsibility for coordinating the completion and despatch of Committee agenda and briefing materials, as well as draft minutes of meetings of each Committee for approval at the next meeting.

5.7 Performance review and evaluation

- (a) The same procedures apply as for the Board⁴ subject only to the role of the Chairman being taken by the chairman of the Committee and any other necessary changes.
- (b) Review and evaluation are conducted against the Board Charter and any criteria the Chairman decides.
- (c) The Committee must report to the Board on the conduct and results of its review and evaluation and make recommendations it considers appropriate.

⁴ See paragraph 2.8.

Schedule 1

Risk Committee charter

Standing rules

The standing rules for Committees apply to the Risk Committee.

1. Appointment by NAHC Board:

The Board is responsible for the oversight of effective arrangements to identify and manage risk. The Board has established the NAHC Risk Committee to assist it to discharge this responsibility.

The Risk Committee Charter sets out the roles, responsibility and operational requirements of the Committee as delegated by the NAHC Board.

The Board has approved the Risk Policy and Risk Register and these are the core documents for monitoring and review by the Committee

2. Authority

The Board authorises the Risk Committee, through the Committee Chair, to:-

- seek any information it requires from employees of the Company
- commission independent risk, actuarial, insurance or other consultants to advise the Committee or assist the Committee in the conduct of its duties.

3. Role of the Risk Committee

To independently review risk matters and make recommendations to the Board and to assist the Board to engage with risk matters in a strategic, timely and relevant manner

4. Duties and Responsibilities

Monitor and review the Risk Policy and Risk Register of the Company to ensure it meets the company's requirements. Make recommendations to the Board as appropriate.

Provide advice and guidance to Management to ensure that appropriate risk identification and risk management arrangements are in place and effectively implemented

Provide high level advice and guidance to the Board on NAHC operating environment and key or newly emerging risk factors

Make recommendations to the Board on risk appetite / risk tolerance.

Make recommendations on the company's insurance cover as required

See Attachment A: Guidance on areas for risk oversight & review

5. Membership, Quorum & Decision Making

The Risk committee is a formally approved sub committee of the Board and will comprise up to 3 members who will all be non executive Directors of the Board. A Director who is not the Board Chair will be elected Chair of the Committee.

Two Directors will constitute a quorum. The Chair of the Board will be an ex officio member of the Risk Committee and entitled to attend any or all Risk Committee meetings, but not required to do so. Any director not on the Risk Committee shall be entitled to attend meetings as an observer.

The Risk Committee will meet at least 4 times per year and more often should that be deemed necessary.

Membership of the Risk Committee will be reviewed on an annual basis, at the meeting following the AGM.

Each member of the RC shall have one vote. Resolutions will be decided by majority voting. Equal votes shall mean the resolution is lost. Dissenting member[s] may have their view recorded in the Minutes upon request.

Recommendations to the Board will be considered at the next Board meeting following the RC meeting or via 'out of session' resolution

6. Invitees

The CEO, Finance Manager and Senior Executives will attend Risk Committee meetings for relevant sessions, depending upon the agenda.

The Committee may decide to meet without management present, at its discretion.

The Committee may request other employees and / or consultants attend the meeting at its discretion

Invitees shall be full participants in the meeting but do not have voting rights.

7. Administration, meeting & review

Agenda: Each Member has the right to place items on the Agenda. The Agenda will be finalised by the Chair. The required papers will be circulated with the Agenda not less than 5 days prior to the meeting

Minutes: Minutes will be taken and circulated to Committee Members within 2 weeks of the meeting. Once approved by the Committee Chair they will be circulated to the Board with recommendations clearly set out for Board consideration. The Committee Chair shall report to the Board.

Conflicts: Members will be invited to disclose any conflicts of interest at the commencement of each Committee meeting. Ongoing Conflicts of Interest that are noted as such, need not be disclosed at each successive meeting. Where Members are deemed to have a real or perceived Conflict of Interest they are required to excuse themselves from participation in discussion and recommendations on the matter. The Board Charter Rules apply.

Review: The Committee will review its performance annually with the outcomes of the performance self assessment to be tabled at the next scheduled board meeting for noting and discussion. The self assessment should include identification of opportunities for improvement and identify any additional training and education need which may be of assistance to Directors. The Chair will co-ordinate the review and table it at the Board.

The Board will review the Risk Committee Charter annually to ensure it is appropriate for the Company's needs and it is relevant in the context of ASX Corporate Governance Principles.

NAHC RISK COMMITTEE CHARTER

ATTACHMENT A

Guidance on areas for risk oversight & review

1. Review the utility, effectiveness and efficiency of the company's risk management in the context of the company's size, scale, complexity and scope of operations.
2. Review the company's risk appetite and risk tolerance as determined by the Board on a holistic enterprise-wide basis and with respect to relevant categories of operational risk
3. Review management's implementation of the company's risk treatment and mitigation activities and assess compliance and effectiveness.
4. Review the categorisation and reporting of risk to ensure critical factors are identified and effectively reported to the Board
5. Consider concentrations of risk and the interrelationship of key risks to provide advice and guidance to the Board on an enterprise-wide level.
6. Access and/or commission and review reports from management, auditors, company lawyers, regulators and consultants
7. Consider how risks may be / have been / should be transferred and review insurance and other risk transfer arrangements accordingly.
8. Oversight of the risks of specific projects and initiatives in train, with a focus on those which are material in terms of impact.
9. Review the company risk register on a regular basis, with the updated critical and severe risks to be formally endorsed annually, for approval by the Board
10. Oversight of compliance with legislative requirements via a regular compliance report.

Schedule 2

Property and Investment Committee Charter

Standing rules

The standing rules for Committees apply to the Property and Investment Committee subject to this charter.

1. Appointment by the Board

The Board is responsible for the Strategic Directions of the Company, its risk appetite and its major property and investment decisions.

The Board has established a Property and Investment Committee **[PIC]** to assist it to discharge these duties.

This Charter sets out the roles, responsibilities and operational parameters of the Committee as delegated by the NAHC Board.

The Board has approved the Strategic Plan 2014-2018, Business Case Template and Project Decision Framework as core documents for the attention of the Committee in the exercise of its duties.

2. Authority

The Board authorises the PIC, through the Committee Chair, to

- a) Seek any information it requires from employees of the Company
- b) Appoint an independent property adviser and receive independent advice on management [property or investment] proposals as it sees fit
- c) Commission research, assessment and ancillary advice [tax, finance, structuring, legal] to assist in the conduct of its duties
- d) Make recommendation to the Board at a Board meeting, or through 'out of session' resolutions if required.

3. Role of the Property and Investment Committee

To assist the Board to make good decisions in relation to property and investment matters, and;

to provide a responsive process for assessing opportunities in a timely manner.

4. Duties and responsibilities

To receive and assess management proposals for property development, acquisition and/or dealings and;

To receive and assess management proposals for [non-property] investment, including R&D and strategic project investment, if such a proposal fall outside normal budget and project [pre] approvals.

The Committee will

- explore management proposals in more detail, and
- test management proposals through independent advice as appropriate, and
- assess management proposals against the agreed strategies and objects of the Company and;
- consider proposals in light of the Company's risk appetite and any opportunity / cost assessment it wishes to apply
- make recommendations to the Board

5. Membership, Quorum, attendance and Decision Making

The PIC is a formally approved sub committee of the Board and will comprise a minimum of 2 members who will be non executive directors of the Board, one of whom will be the Chairman of the Board.

The Chairman of the Board shall be the Chairman of the PIC

The CEO / Managing Director shall also be a member of the PIC

A minimum of 2 members shall form a quorum.

All non-executive directors of NAHC are ex-officio members of the PIC and may attend any meeting of the PIC.

The Chairman shall determine the frequency, location and timing of the meetings.

The Chairman shall invite any employee, the PIC independent adviser and / or other attendees at his/her discretion.

Each member of the PIC shall have one vote. Resolutions will be decided by majority voting. Equal votes shall mean the resolution is lost. Dissenting member[s] may have their view recorded in the Minutes upon request.

Recommendations to the Board will be considered at the next Board meeting following the PIC meeting or via 'out of session' resolution

6. Administration, evaluation and review

Agenda: Each Member has the right to place items on the Agenda. The Agenda will be finalised by the Chair. The required papers will be circulated with the Agenda not less than 5 days prior to the meeting

Minutes: Minutes will be taken and circulated to Committee Members within 2 weeks of the meeting. Once approved by the Committee Chair they will be circulated to the Board with recommendations clearly set out for Board consideration. The Committee Chair shall report to the Board.

Conflicts: Members will be invited to disclose any conflicts of interest at the commencement of each Committee meeting. Ongoing Conflicts of Interest that are noted as such, need not be disclosed at each successive meeting. Where Members are deemed to have a real or

perceived Conflict of Interest they are required to excuse themselves from participation in discussion and recommendations on the matter. The Board Charter rules apply.

Review: The Committee will review its performance annually with the outcomes of the performance self assessment to be tabled at the next scheduled board meeting for noting and discussion. The self assessment should include identification of opportunities for improvement and identify any additional training and education need which may be of assistance to Directors. The Chair will co-ordinate the review and table it at the Board.

The Board will review the Property and Investment Committee Charter annually to ensure it is appropriate for the Company's needs and it is relevant in the context of ASX Corporate Governance Principles.

Company Secretary. 5th September 2014