



## CoINVEST Limited – Board Code of Conduct and Charter

---

The following Charter has been developed and adopted by the Directors of CoINVEST Limited to describe their role as Directors in the Operations of CoINVEST. It incorporates a Code of Conduct which specifically sets out their responsibilities and expected behaviours as Directors of a public company, and the CoINVEST Values, which provide guidance on how these behaviours are performed.

The Charter itself then deals with these responsibilities and behaviours in the peculiar context of the administration of CoINVEST as a construction industry body responsible to industry employers and workers for the integrity of their portable long service leave scheme.

The notes, *marked in italics*, then describe the bases underlying each of the paragraphs.

### Role of the Board

The role of the Board, as articulated by the Australian Institute of Company Directors is to:

- **appoint a CEO** and evaluate his or her performance
- set and review the **medium and long term goals** of the organisation in consultation with management;
- **approve budgets**;
- **monitor business performance**;
- **approve** large investments and any **major financial decisions**;
- **monitor the controls** framework to ensure major risks are identified and managed;
- **challenge** the assumptions of management;
- ensure there is **accurate financial reporting** and the organisation complies with all aspects of the law;
- ensure the continuing **development of the executive** management team;
- determine appropriate **remuneration** for the executive team;
- make provision for **succession planning**;
- **communicate** with shareholders and other **stakeholders**;
- **be accountable to shareholders (members)**.

## Code of Conduct

*The Code of Conduct is a statement of the duties that company directors have at common law and under the Corporations Act. It recognises that CoINVEST is a public company and each of its directors have responsibilities accordingly.*

Directors of CoINVEST Limited:

- Will always act honestly, in good faith and in the best interests of the company as a whole.
- Will use care and diligence in fulfilling the functions of office and exercising the powers attached to that office.
- Will use the powers of office for a proper purpose, in the best interests of the company as a whole.
- Recognise that their primary responsibility is to the company's stakeholders as a whole.
- Will not make improper use of information acquired as a director.
- Will not take improper advantage of the position of director.
- Will manage any conflict with the interests of the company.
- Will be independent in judgement and actions and take all reasonable steps to be satisfied as to the soundness of all decisions taken by the board of directors.
- Understand that confidential information received in the course of the exercise of directorial duties (from CoINVEST or any other company) remains the property of the company from which it was obtained and it is improper to disclose it, or allow it to be disclosed, unless that disclosure has been authorised by CoINVEST or that company, or the person from whom the information is provided, or is required by law.
- Will not engage in conduct likely to bring discredit upon the company.
- Have an obligation, at all times, to comply with the spirit, as well as the letter, of the law and with the principles of this Code and Charter.

## CoINVEST Values

*The Values section provides guidance on how we intend to achieve the mission of CoINVEST, and extends to all staff, Executives and Board Members. The Values provide everyone with clear understanding of how we do business.*

- **Pride**

We show PRIDE in what we do and how we do it. We do this by:

- Getting it right the first time
- Taking responsibility
- Delivering on promised

- **Respect**

We respect and support

- Each other
- Our customers
- Our Community

- **Community**

We belong and contribute to:

- The work Community
- The Industry Community
- The broader Community

- **Adaptability**

We ADAPT the way we work to meet the changing needs of:

- Individuals
- Customers
- The Business

## Board Charter

The above Code of Conduct and Values can be said to apply to all company directors. This Charter however, expands on the Code and the particular role and responsibilities of CoINVEST Directors.

### Directors of CoINVEST Limited:

1. Act as if fiduciaries - CoINVEST is a trustee and must act in the interest of the beneficiaries, potential beneficiaries and employers under the trust it administers.

*Whilst the only trustee of the long service leave scheme is in fact CoINVEST Limited, that company can only act through its directors. Thus the directors of CoINVEST Limited should ensure that they do not cause the company to act contrary to its obligations as a trustee. Thus the directors should themselves act as if they are trustees.*

2. Ensure that CoINVEST complies with all of its duties and obligations under the trust deed that establishes the trust it administers.

*CoINVEST Limited, as trustee of the long service leave scheme, has certain duties and must comply with the requirements of the trust deed that establishes the trust it administers. These duties include:*

- (a) causing the accounts of the trust fund to be audited in accordance with the requirements of the Corporations Act 2001;*
- (b) issuing a summary of the audited accounts of the fund, a copy of an auditor's certificate and a summary of the activities of the fund for each financial year to all contributors, beneficiaries and potential beneficiaries (as defined in the trust deed); and*
- (c) holding an Annual Meeting of contributors, beneficiaries and potential beneficiaries (as defined in the trust deed).*

*It is the obligation of each director of the Board to familiarise him or herself with the provisions of the trust deed to ensure that CoINVEST Limited complies with all the requirements of that document.*

3. Will not take a stance on representative status of its directors, and it is expressly acknowledged that Board members may bring before the Board matters on behalf of their nominating organisations or members, subject only to their overriding duties as directors.

*The fact that 8 of the directors of the Board of CoINVEST Limited have been nominated by employer or worker organisations makes the company's Board quite unusual. Nothing stops these directors from bringing before the Board matters that are of importance or relevance to the organisations that nominated them or to their membership. However, provided that the directors in question act in the best interests of CoINVEST Limited (as they are obliged to do), it is not necessary that any view be taken by CoINVEST Limited or by its Board as to the representative status of these 8 directors.*

4. May disseminate Board information (as distinct from documents) without the Board's prior approval unless the Board makes a majority decision that the information is confidential and cannot be disclosed.

*It is simply impractical for Board members, and in particular the 8 nominated by worker and employer organisations, not to provide information to their nominating organisations concerning Board business. The company should therefore proceed with its business on the basis that discussions that are held at the Board level may be freely disclosed by any director (subject to commercial confidentiality and privacy considerations). That is, naturally, subject to the proviso that the Board can, by a simple majority decision, decide that particular information is confidential and cannot be disclosed to any person outside of the Board. If such a decision is made, directors may not discuss information that is so designated as confidential.*

5. Will not publish or disseminate Board documents without the Board's prior approval.

*On the other hand, documents that have been produced to or by the Board, including but not limited to minutes of the meetings of the Board of CoINVEST Limited, may not be shown or distributed to any person not on the Board or employed by CoINVEST Limited.*

6. Are committed to continuous improvement in their performance as directors of CoINVEST through formal and informal education relevant to the key areas of CoINVEST's operations. This is conducted in line with the 'Directors' Training and Development Policy', adopted at the Board's 01/08 meeting.

*The representative nature of the Board means that no director will possess all the necessary knowledge and experience that the Board will have collectively. This paragraph is a statement that demonstrates the Board's commitment to continuously improving its knowledge in the areas of CoINVEST's operations. i.e. the construction industry, Investment management, Finance, etc.*

## **CoINVEST Limited**

7. The Board establishes standing committees to deal with issues in detail before they come to the Board for approval. The Board does not give a standing delegation to these committees but from time to time may delegate powers to these committees for a specific purpose. These standing committees are:

- Finance and Investment
- Audit
- Remuneration
- Coverage
- Rules Committee

The Board may also establish ad hoc committees from time to time for a specific purpose and with a limited life.

All committees have charters approved by the Board.

8. CoINVEST's role is to act:

- a. as a trustee of the fund;
- b. as a manager;
- c. to provide information to our industry on the scheme;
- d. to administer the fund and the scheme; and
- e. to act as a trustee and/or service provider to any other business lawfully established by CoINVEST.

*This paragraph is simply a restatement of CoINVEST Limited's role and reiterates, by way of summary, those matters set out in the legislation and in the documents establishing the company and the long service leave fund.*

9. CoINVEST's role is to support the industry rather than act as an industry player.

*It is intended that CoINVEST Limited does not take on the role of advocating or supporting one side or another in an industry dispute. The term 'an industry player' is deliberately vague so as, in the widest way possible, to make a statement that the company should not become involved in industry politics. The role of CoINVEST Limited is to provide a portable long service leave scheme for the industry and in that way to support the industry.*

10. CoINVEST/Board, as the case may be, can make changes to:

- **Constitution;**
- **Trust Deed; and**
- **Coverage.**

provided that in all cases the changes are implemented in accordance with the procedures specified in the company's constituent documents.

*This paragraph intends to make it clear that both the company itself and members of the Board of CoINVEST Limited can make changes to the constitution of the company, to the Trust Deed and, to the extent permitted by such documents and legislation, to coverage. Such changes can only be made in accordance with the stringent limitations included in those constituent documents. This paragraph is intended to make it clear that the company does not need to remain a passive organisation but rather can, of its own volition, change the way in which it is regulated by its constitution or the way that the Trust Deed regulates the operation of the scheme.*

*Insofar as coverage is concerned, there are provisions in the scheme by which CoINVEST Limited can determine what type of work is covered by the ambit of the scheme. It is to this extent that the company can effectively make "changes" to the coverage of the scheme. Other changes to coverage are specifically regulated by the legislation.*

11. CoINVEST/Board can recommend to the Government changes to the *Construction Industry Long Service Leave Act 1997* (Victoria).

*This paragraph intends to make it clear that CoINVEST Limited or its Board can make recommendations to the Government to make changes to the Construction Industry Long Service Leave Act 1997 (Victoria). The Board is not passive and is entitled to take a view. Recommendations can thus be made to the Government based on majority votes of the Board (except where there are other voting requirements for certain specific changes).*

12. CoINVEST can solicit or receive unsolicited information, requests etc regarding its role from any interested person.

*This paragraph intends to make it clear that CoINVEST Limited can actively seek information or receive unsolicited information concerning aspects of its role. This paragraph of the Charter is again designed to ensure that it is clear that the company is not required to be passive in its operations.*

13. The Board may, of its own motion, raise issues concerning any relevant long service leave matter.

*This paragraph is a further reiteration of the same subject matter contained in paragraphs 10 and 11, namely that the company can actively manage and run the long service leave scheme and, subject to complying with its constituent documents and the Construction Industry Long Service Leave Act 1997 (Victoria), it can do so as an independent body acting as it sees fit, not under the Government's or any other parties' direction or control.*

14. The Directors have access to copies of Board and Committee papers relating to their tenure as a director, both during that tenure and for a period of seven years after they cease their role as a director.

*Directors have a right to access papers corresponding to the time they spend on the Board. There is no right of access to papers relating to the time before nor after the director joined the Board. Clause 3 of the Directors Deed provides further explanation.*

15. CoINVEST will provide Directors with appropriate Directors and Officers insurance.

*CoINVEST takes out Directors and Officers insurance on an annual basis to protect against the risks and costs of legal action being taken against the company and its officers. Clause 10 of the Directors Deed provides further explanation.*

16. CoINVEST will formally review Board Performance every two years, by alternating between an externally conducted review and then an internally conducted review two years afterwards.

*CoINVEST will formally review Board Performance every two years, by alternating between externally conducted review and then an internally conducted review two years afterwards. More specifically, external reviews are to be conducted in 2010 (Jan/Feb), 2014 and with internal reviews taking place in 2012 and 2016.*