

Corporate Governance Charter

ORGANISATION NAME
CORPORATE GOVERNANCE CHARTER

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TEMPLATE
CORPORATE GOVERNANCE CHARTER

Section 1 PRINCIPLES OF GOVERNANCE

In 1999 the Commonwealth Association for Corporate Governance enunciated 15 principles of Corporate governance. These have been modified for a not for profit environment.

1 Leadership

The Board should exercise leadership, enterprise, integrity and judgement in directing the organisation so as to achieve continuing sustainability and to act in the best interest of the organisation in a manner based on transparency, accountability and responsibility.

2 Appointments

As far as possible within the constraints of the appointments process the Board should ensure that through a managed and effective process board appointments are made that provide a mix of proficient Trustees, each of whom is able to add value and to bring independent judgement to bear on the decision making process.

3 Strategy and Values

The Board should determine the organisation's purpose and values, determine the strategy to achieve its purpose and to implement its values in order to ensure that it survives and thrives, and to ensure that procedures and practices are in place to protect the organisation's assets and reputation.

4 Organisational Performance

The Board should monitor and evaluate the implementation of strategies, policies, management performance criteria and business plans.

5 Compliance

The board should ensure that the organisation complies with all relevant laws, regulations and codes of best practice.

6 Communication

The board should ensure that the organisation communicates with beneficiaries and other stakeholders effectively

7 Accountability to Beneficiaries

The Board should serve the legitimate interests of the beneficiaries of the organisation and account to them fully

8 Relationship with Stakeholders

The Board should identify the organisation's internal and external stakeholders and agree a policy, or policies, to determine how the organisation should relate to them.

9 Balance of Power

The Board should ensure that no one person or block of persons has unfettered power and that there is an appropriate balance of power and authority on the Board.

10 Internal Procedures

The Board should regularly review process and procedures to ensure the effectiveness of its internal systems of control, so that its decision making capability and accuracy of its reporting and financial results are maintained at a high level at all times.

11 Board Performance Assessment

The Board should regularly assess its performance and effectiveness as a whole and that of the individual Trustees, and the Chief Executive Officer.

12 Management Appointments and Development.

The Board should appoint the Chief Executive Officer and may participate in the appointment of senior management, ensure the motivation and protection of intellectual capital intrinsic to the organisation, ensure that there is adequate training in the organisation for management and employees, and a succession plan for senior management

13 Technology

The Board should ensure that information technology and systems used in the organisation are adequate to properly run the business.

14 Risk Management

The Board must identify key risk areas and key performance indicators of the business enterprise and monitor these factors.

15 Annual Review of Capital Adequacy/Solvency

The Board must ensure annually that the organisation is maintaining its long term capital base and has sufficient resources at its disposal in order to carry out its functions.

OR

Annual Review of Solvency

The Board must ensure annually that the organisation has sufficient cash at its disposal in order to carry out its functions and to meet its obligations as they fall due.

Section 2 DEFINING GOVERNANCE ROLES

2.1 The Role of the Board

The Board establishes the organisation's objectives, major strategies for achieving these objectives, the overall policy framework within which the business of the organisation is conducted, and monitors management's performance with respect to these matters. The Board has delegated day to day management to the Chief Executive Officer

- Setting Goals and Objectives
- Participating in the Strategic Planning Process
- Appointing the Chief Executive Officer and approving the appointment of senior executives
- Approving and monitoring budgets
- Approving capital expenditure and investments
- Approving operating expenditure outside budgets and delegations
- Reviewing Progress

2.2 The Role of Individual Trustees

Each Trustee must understand the specific legal requirements of his or her position since this will form the basis of the duties and responsibilities of the individual Trustee.

There are three types of duties imposed on Trustees

Fiduciary Duty. The fiduciary duties of a Trustee are to:

- Act honestly
- Avoid conflicts of interest where reasonably possible
- Act in what the Trustee believes to be the best interests of the organisation

Duty of Care and Diligence.

Care and Diligence refers to the skills, ability and application to the position of being a Trustee that each individual must apply. Each Trustee must exercise the care, diligence and skill that a reasonable person would exercise in the same circumstances, taking into account the nature of the organisation, the position of the Trustee and the nature of the responsibilities undertaken by her or him and any other relevant matters.

A Trustee must also be aware that he or she can be liable for the common law action of negligence.

Statutory Duties

These are duties imposed upon Trustees by statute.

In accordance with statutory requirements, and in keeping with developments of common law Trustees will

- Discharge their duties in good faith and honesty in what they believe to be the best interests of the organisation and with the level of skill and care of a well informed Trustee.
- Owe a fiduciary duty to the organisation using the powers of office only for a proper purpose, in the best interests of the organisation as a whole
- Act with required care diligence and skill, demonstrating reasonableness in their decisions
- Avoid conflicts of interest as far as is reasonably possible
- Act in accordance with the Trust Deed and the law relating to Trusts
- Act for the benefit of the organisation
- Not make improper use of information gained through their position as Trustees
- Not take improper advantage of the position of a Trustee
- Not allow personal interests, or the interest of any associated person, to conflict with the interests of the organisation
- Make reasonable inquiries to ensure that the organisation is operating efficiently, effectively and legally towards achieving its goals
- Undertake diligent analysis of all proposals placed before the Board
- Not agree to the organisation incurring an obligation unless the Trustees believe at the time, on reasonable grounds, that the organisation will be able to perform the obligations when it is required to do so.

Other duties that may be imposed

Trustees decide what matters are delegated to either specific Trustees or management and what controls are in place to oversee the operation of these delegated powers.

Trustees have no individual authority to participate in the day to day management of the organisation, including making any representations or agreements with any other party including employees, unless such authority is expressly delegated by the Board, through resolution, to the Trustee either individually or as a member of a sub committee.

Trustees are expected to give of their specific expertise generously to the organisation.

Trustees will keep absolutely confidential board discussions and deliberations

Trustees are expected to be forthright in Board meetings and have a duty to question, request information, raise any issue, fully canvas any aspects of any issue confronting the organisation and to cast their vote on any resolution according to their own decision. However, outside the Boardroom, Trustees will support the letter and spirit of board decisions in discussions with all external parties including staff.

A Trustee present at a Board meeting will be presumed to have agreed to, and to have voted in favour of a resolution of the Board unless that Trustee expressly dissents or expressly abstains from voting on, or votes against the resolution.

Confidential information received by a Trustee in the course of the exercise of Trustee's duties remains the property of the organisation from which it was obtained and it is improper to disclose it or to allow it to be disclosed, unless that disclosure has been authorised by the person from whom the information was obtained, or is required by law.

A Trustee shall not engage in any conduct likely to bring discredit upon the organisation.

A Trustee must not agree to the business being carried on or cause or allow the business to be carried on in such a way that there is substantial risk of serious loss of Trust Capital.

A Trustee has an obligation at all times to comply with the spirit as well as the letter of the law and with the principles of this charter.

A Trustee shall in good faith conduct herself or himself in a manner that is consistent with generally accepted procedures for the conduct of meetings at all meetings of the Board.

Trustees are expected to show a commitment to the organisation through regular attendance at Board meetings. Leave of absence can be applied for periods up to 6 months. Where a Trustee misses three consecutive meetings it is expected that the Trustee will discuss their continuing involvement and commitment with the Chair.

Conflicts of Interest

Trustees must:

Disclose to the Board any actual or potential conflicts of interest which may exist or might reasonably be thought to exist between the interests of the organisation and the interests of the Trustee and persons associated with the Trustee.

2.3 Role of the Chairperson

The role of the Chairperson is to lead the Board and as such he or she is expected to fulfil the following responsibilities:

- Ensure that the Board provides leadership and vision
- Assess and implement a balanced Board membership within the confines of the appointment process
- Ensure that the Board is participating in setting the aims, strategies and policies of the organisation
- Guarantee that there is adequate monitoring of the pursuit and attainment of the goals of the organisation
- Ensure that the Board reviews the human resources of the organisation
- Make certain that the Board has adequate information to undertake effective decision making and actions
- Ensure that administrative tasks such as the circulation of Board papers are carried out
- Direct the Board discussion to effectively use the time to address important tissues
- Develop an ongoing and healthy relationship with the Chief Executive Officer
- Guide the ongoing development of the Board as a whole and individual Trustees

The Chairperson will also

- Chair board meetings

- Establish the agenda for board meetings in conjunction with the Chief Executive Officer

Section 3 IMPROVING BOARD PROCESS

3.1 Board Meetings

In addition to the requirements of the Trust Deed, Trustees have adopted the following guidelines

- Trustees will meet formally once every month, generally on the *****
- The agenda for the meeting will be circulated to all Trustees at least one week prior to the meeting
- The following items will be included in the Agenda
 - Minutes of the previous meeting and sub committee meetings
 - Matters arising from the previous meeting
 - Correspondence received relating to significant matters
 - Financial Reports
 - Details of major policy matters requiring decisions
 - Progress against the strategic and operational plans
 - Capital expenditure proposals outside delegated authority
- Agenda items will be supported by sufficient information to allow effective decision making
- It is important that decisions are well considered. Decisions will not be made on items tabled at a meeting without very good reason

3.2 Conduct of Meetings

The Chairperson will determine the degree of formality required at each meeting while maintaining the decorum of such meetings. The following guidelines shall apply

- The Chairperson shall ensure that all members are heard
- The Chairperson shall maintain sufficient control to ensure that the authority of the Chair is recognised so that a degree of formality can be reintroduced when required
- The Chairperson will take care that decisions are properly understood and well recorded
- The Chairperson will ensure that the decisions and debate are completed with a formal resolution recording the conclusions reached

3.3 Board Minutes

- Minutes will contain a brief review of the discussion plus the official resolution adopted by the Trustees
- All decisions will be recorded by way of a formal resolution
- Trustees who dissent or abstain may ask to have their dissent or abstention recorded in the minutes
- Material conflicts of interest shall be recorded in the minutes

Section 4 KEY BOARD FUNCTIONS

4.1 Delegation of Authority

Description	Amount	Delegated to
Budgeted administration expenses and minor capital expenditure	As per budget	Chief Executive Officer
Minor capital expenditure		Chief Executive Officer

Execution of Documents

Documents signed under the common seal require any two Trustees signature or one Trustee and the Chief Executive Officer. It is expected that those signing will have been involved in the decision making.

Cheque signing

All cheques must be signed by two signatories. There are four potential signatories, three Trustees and the Chief Executive Officer

4.2 Servicing the Chief Executive Officer

It is recognised that a key component of Trustee duties is providing a sounding board for the Chief Executive Officer's ideas.

In recognition that the Chief Executive Officer Board relationship is critical to effective governance the Trustees should provide frank and honest advice to the Chief Executive Officer. All advice should be constructive in nature and provided in a positive manner

Trustees should recommend alternative advisers where the expertise required is not available on the Board or where another view point would be advantageous.

4.3 Chief Executive Officer Evaluation

The Chief Executive Officer evaluation shall be undertaken at least once a year by a sub committee appointed for the purpose

The Chief Executive Officer position will be job sized at least once every three years.

Section 5 CONTINUING IMPROVEMENT

5.1 Board Evaluation

- Each year the Board will conduct an evaluation of its performance
- The evaluation will take place within 3 months of the Balance Date
- The findings of the review will be tabled at the July meeting

5.2 Trustee Development

In order to continually improve Board performance all Trustees are expected to undergo continual professional development.

Specifically where skill gaps are identified, Trustees will be provided with training and resources to address them

5.3 Trustees Remuneration and other expenses

Trustee remuneration is determined from time to time by ***** (or The position of Trustee is a voluntary commitment on the part of the Trustee)

Remuneration will be paid on a quarterly basis

The Organisation will reimburse reasonable and properly incurred travel, accommodation and other costs with the approval of the Chairperson.

Payment of Trustee's fees may be suspended for prolonged absence at the discretion of the Chairperson, after a thorough investigation of the reason for the absence.

The Board will ensure that there is current Directors' and Officer Liability insurance cover for all Trustees and the Chief Executive Officer

APPENDIX 1

TERMS OF REFERENCE

SUB COMMITTEE

1 Membership

- 1.1 In accordance with clause *** of the Trust Deed the subcommittee the committee shall comprise at least three Trustees with power to co-opt up to two independent persons on such terms and conditions as it sees fit.
- 1.2 The Chairperson of the Trust shall be an ex officio member of the committee with voting rights
- 1.3 Members shall be appointed from time to time by the Chairperson of the Trust.
- 1.4 The Chairperson of the Sub committee shall be elected by the members of the sub committee and must be a Trustee of the Trust.
- 1.5 A quorum of the sub committee shall be at least three Trustees.

2 Meetings and Voting

- 2.1 In accordance with clause *** of the Trust Deed voting shall be by simple majority. In the case of equality of votes the Chairperson of the sub committee shall have the casting vote.
- 2.2 Any decisions where the Trust deed would require a special majority shall be referred to a full meeting of the Trust.
- 2.3 The Chairperson or any two members of the sub committee may at any time summon a meeting of the subcommittee by sending or delivering a notice of meeting to the last known address of each of the members of the sub committee.
- 2.4 Minutes shall be kept for all meetings of the sub committee
- 2.5 In accordance with clause *** of the Trust Deed all conflicts of interest shall be declared and other Trustees shall decide whether the affected Trustee may vote on the issue.
- 2.6 Conflicts of interest shall be recorded in the minutes.

3 Duties