

HumanAbility Ltd

Board Charter



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1 Introduction

- 1.1. The Board Charter and other Governance policies of HumanAbility have been developed to be consistent with the Australian Institute of Company Directors (AICD) Not-for-Profit Governance Principles 2019 (the Principles) with appropriate amendments that are appropriate for the size and nature of HumanAbility's operations.
- 1.2. The HumanAbility Board (the Board) has the responsibilities set out in this Charter and will carry out those responsibilities in accordance with the law, the Principles, and HumanAbility's Code of Conduct, and for the benefit of members as well as employees, stakeholders, customers, and the industries that HumanAbility serves.
- 1.3. The Board Charter is subject to its adoption by the Board.
- 1.4. The Board Charter is subject to and aligned with the organisation's Constitution. Where there is any inconsistency or conflict, the Constitution takes precedence.

2 Role of the Board

- 2.1. The role of the Board is to provide strategic governance and direction for HumanAbility and effective oversight of management.
- 2.2. The Board must act to ensure that HumanAbility and its subcontractors can demonstrate that they are able to meet the performance and reporting requirements of the grant funding agreement.

3 Performance and Teamwork

- 3.1. In performing its role, the Board aspires to excellence in governance standards. This requires the Board to work as a team and meet on a regular basis.

4 Power and Delegation of the Board

- 4.1. Except as otherwise required by the Corporations Act 2001, any other applicable law or this Charter, the Board:
 - a) provides oversight, guidance and direction to the business operations of HumanAbility;
 - b) may engage and terminate the employment of the Chief Executive Officer and determine the remuneration and entitlements of the employees of HumanAbility in consultation with employees and their representatives; and
 - c) may provide strategic governance and make decisions in relation to all matters that may impact the rights, power or capacity of HumanAbility, except those decisions that HumanAbility must take at a general meeting of voting members.

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- 4.2. The Board is empowered to manage the business of HumanAbility and may delegate its powers to the Chief Executive Officer. The Delegations of Authority policy will set out the powers that can be delegated and applicable threshold limits. The Board may, by resolution, change any delegated power by increasing, reducing, adding or removing specific powers and authorities. Records of Delegations of Authority are maintained by the Company Secretary.

5 Duties

- 5.1. Directors ¹are required to be familiar and comply with the duties to which they are subject under the *Corporations Act 2001* and otherwise at law, including that they:
- exercise their powers and discharge their duties with the degree of care and diligence that a reasonable individual would exercise if they were a Director of HumanAbility
 - act for a proper purpose and in good faith in the best interests of HumanAbility
 - not misuse their position as a Director
 - not misuse information they gain in their role as a Director
 - disclose any actual, potential or perceived material conflicts of interest; and
 - not allow HumanAbility to trade while it is insolvent.

6 Board Responsibilities

- 6.1. The key responsibilities of the Board are as follows:
- a) overseeing the management of HumanAbility
 - b) providing strategic direction through approving and periodically reviewing the Strategic Plan
 - c) reviewing, amending and approving the policies, strategy and performance objectives proposed by management
 - d) reviewing, amending and approving the annual budget including surplus or deficit and cash flows proposed by management
 - e) appointing and removing the Chief Executive Officer, and determining the terms and conditions of appointment, including the remuneration package
 - f) agreeing performance targets with, and monitoring the performance of, the Chief Executive Officer
 - g) appointing and removing the Company Secretary
 - h) approving succession plans for the management team
 - i) monitoring management's performance, implementation of strategy, and allocation of resources to achieve the business policies, strategies, objectives and budgets
 - j) determining and approving the levels of authority to be given to the Chief Executive Officer in relation to operational expenditures, contracts and the operation of banking and credit

¹ 1 The term "Directors" when used in this and other policies shall mean members of the Board and any officers of the Board such as the Company Secretary and the CEO who are exercising delegations from the Board.

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- facilities, and authorising any further delegations of those authorities by the chief executive officer to other senior employees of HumanAbility
- k) approving the appointment of the external auditor
 - d) approving Charters of the Board, Audit and Risk Committee, Governance and Nominations Committee and Advisory Committees
 - l) approving and monitoring financial reporting
 - m) admission of voting and non-voting members
 - n) reporting to members
 - o) monitoring the identification of business risks, reviewing and ratifying systems of risk management, legal compliance, and compliance with HumanAbility's Code of Conduct and policies, to ensure appropriate compliance frameworks and controls and an appropriate culture of risk management are in place
 - p) monitoring compliance with best practice corporate governance requirements; and
 - q) ensuring HumanAbility complies with the *Corporations Act 2001*, the *Australian Charities and Not-for-profits Commission Act 2012* and all other applicable laws.

7 Individual Directors

7.1 Decision Making

Directors should bring an independent judgment to bear on Board decisions and question, request information or raise any issue which is of concern to them so as to fully canvas all aspects of any issue confronting HumanAbility. Directors cast their vote on any resolution according to their own judgment. Outside the Boardroom, Directors support the letter and spirit of Board decisions.

7.2 Confidentiality

Directors will keep confidential Board discussions, deliberations and decisions which are not publicly known.

Confidential information received by Directors in the course of the exercise of their duties remains the property of HumanAbility unless that disclosure has been properly authorised or is required by law.

7.3 Code of Conduct

Directors will comply with HumanAbility's Code of Conduct and Ethics policy and are expected to act ethically at all times.

7.4 Conflict of Interest

- a) Directors are expected to appropriately identify, disclose and manage conflicts of interest in accordance with rule 10.3 of the Constitution and comply with HumanAbility's Conflicts of Interest Policy and related procedures
- b) Directors must disclose all personal information and other matters that could, or do, give rise to a conflict of interest in relation to a matter or decision being considered by the Directors

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- c) Such conflicts will be recorded in the minutes of the meeting and be added to a Conflict of Interests Register kept by the Company Secretary
 - d) Where a Director has a material personal interest in a matter to be considered at a meeting, that Director must not be present while the matter is being considered at the meeting or vote on the matter, unless the Directors who do not have a material personal interest pass a resolution that:
 - i. identifies the Director, the nature and the extent of the Director's interest in the matter and its relation to the affairs of HumanAbility; and
 - ii. states that those Directors are satisfied that the interest should not disqualify the Director from voting or being present.

7.5 Independent Advice

Directors, with agreement of the Chair, may seek independent advice at the expense of HumanAbility on any matter before the Board for consideration.

7.6 Communication with Senior Management

Directors may communicate directly with senior management in instances where they need to do so to properly discharge their duties. Directors should exercise appropriate consideration and judgement when communicating with senior management to ensure that they are not infringing the day-to-day management of the company.

7.7 Access to Information

In addition to any access granted under the Corporations Act 2001 or the Constitution, HumanAbility will, in accordance with any deed of access and indemnity agreement entered into with a Director:

- a) maintain and securely store records of all Board documents, accounting and financial records; and
- b) as soon as reasonably practicable after the receipt of a written request from a Director, allow the Director or his or her legal representatives to have access during business hours to, and to make copies of Board documents, HumanAbility books and financial records.

7.8 Indemnity and Insurance

- a) In accordance with rule 12.4 of the Constitution, to the extent permitted by law, Directors are indemnified by HumanAbility for all losses or liabilities incurred by the Director in their capacity as a Director of HumanAbility including, but not limited to, a liability for negligence or for legal costs on a full indemnity basis.
- b) This indemnity:
 - i. may only be for losses or liabilities incurred as a Director of HumanAbility
 - ii. does not cover any loss or liability of a Director seeking to be indemnified under this rule if that loss or liability arises from that person's wilful misconduct or fraud; and
 - iii. operates only to the extent that the loss or liability is not paid by insurance.

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- c) In accordance with rule 12.4 of the Constitution, to the extent permitted by law, HumanAbility may take out and pay for insurance for the benefit of its Directors (both current and past) against any liability incurred by the person as an Officer of HumanAbility including, but not limited to, a liability for negligence or for legal costs.

8 Board Chair

8.1 Chair

The Board will appoint one of its members to be the Chair in accordance with the Constitution. If the Chair is absent from a meeting, the members present must select one of the members present to act as Chair.

8.2 Representation

The Chair:

- a) represents the Board to members of HumanAbility and where appropriate to communicate the Board's position; and
- b) advocates and promotes the interests of HumanAbility as a whole in relations with members and other stakeholders.

8.3 Deputy Chair

For convenience and noting the provisions of 8.1 above, the Board may appoint one of its members to be the Deputy Chair who will, in the absence of the Chair, undertake the functions of the Chair.

8.4 Role

The Role of the Chair is to facilitate the effective contribution of all Directors and promote constructive and respectful relations between Directors and between the Board and management. In particular, the Chair:

- a) Provides leadership to the Board enabling efficient organisation and conduct of the Board's processes
- b) Manages the relationship between the Chief Executive Officer and the Board
- c) Oversees the Board agenda and provision to Directors of timely, relevant information to assist them to be effective members who fully participate in Board activities
- d) Manages the business of the Board by presiding over meetings, resolving differences between Directors and seeing that decisions are reached promptly
- e) Recommends to the Board for its consideration the membership, chair and functions of Board sub-committees
- f) Guides and promotes the ongoing effectiveness and development of the Board and individual Directors
- g) Monitors Board performance.

9 Committees

9.1 Appointment

The Board may establish Board committees to which it may delegate any of its powers, duties and responsibilities in accordance with HumanAbility's Constitution. The Board will appoint the members of each committee, and the Chair of each committee.

9.2 Standing Committees

The Board must establish the following committees:

1. An Audit and Risk Committee to consider:
 - a) financial position and performance and progress against budget
 - b) reliability and appropriateness of published financial statements
 - c) external and internal audit independence, objectivity and assurance
 - d) adequacy of risk management, internal control and insurances.
2. Governance and Nominations Committee to consider:
 - a) matters relating to the composition, structure and operations of the Board
 - b) matters related to the admission of new members
 - c) matters relating to memberships for the IAC and Technical Committee
 - d) matters relating to the senior executive selection and performance
 - e) other matters as delegated.
3. Industry Advisory Committees are comprised of:
 - a) Children's Education and Care Advisory Committee
 - b) Health Advisory Committee
 - c) Human (Community) Services Advisory Committee
 - d) Aged and Disability Services Advisory Committee
 - e) Sport and Recreation Advisory Committee; and a
 - f) Cross-Sector Advisory Committee.

4. Committee Charters

Board, Audit and Risk, Governance and Nominations and Industry Advisory committees operate in accordance with a Board-approved charter and HumanAbility's Constitution. Committees of the Board consist of non-executive Directors and may contain persons outside the Board and management of HumanAbility with appropriate skill, knowledge and experience relevant to the committee's objectives.

10 Composition of the Board

10.1. The Board is responsible for the following:

- a) determining the number of Directors (subject to the Constitution)
- b) terms and conditions of Directors' appointments
- c) appointment of a Chair; and
- d) filling casual vacancies on the Board and managing the succession of Board members.

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- 10.2. HumanAbility's Constitution provides for the number of Directors between three and nine; and comprises a majority of Independent Directors.
 - 10.3. In considering the filling of positions the board will consider staggering appointments in order to avoid any risk of mass churn in its membership.
 - 10.4. HumanAbility will publicly:
 - a) disclose to the Members the names of the Directors; and
 - b) identify those Directors who the Board considers to be Independent Directors.

11 Diversity Policy

- 11.1. Directors are expected to comply with any Diversity Policy adopted by the Board such as the Board Diversity policy.

12 The Company Secretary

- 12.1. The Company Secretary is responsible to the Board through the Chair on all governance matters. They will support the effectiveness of the Board by monitoring that Board policy and procedures are followed and coordinating completion and dispatch of Board agendas and briefing papers.

13 Board Meetings and Procedures

- 13.1. The Board will meet as often as the Directors consider necessary to fulfil their duties and responsibilities and to meet the demands of the business. In normal circumstances the Board is expected to meet at least four (4) times in a year with at least 2 of those meetings to be held in person.
- 13.2. A Board meeting may be held by the Board communicating by any technological means consented to by all the Directors. The consent may be a standing one and the Board need not all be physically present in the same place for a Board meeting to be held.
- 13.3. The Chair shall arrange for an opportunity for Board members to meet without any management representatives present.
- 13.4. A meeting can be convened by the Chair, or any two Directors. Each Director is entitled to receive reasonable notice of a meeting of Directors, preferably not less than 48 hours prior to the meeting, unless the Directors unanimously agree otherwise. Meetings in addition to those scheduled may be held at the written request of a Board Member to the Company Secretary.
- 13.5. A detailed agenda together with supporting documentation must be circulated to Board Members and other attendees no less than five (5) working days prior to each meeting. Board Members should prepare thoroughly for Board meetings to be able to provide appropriate and constructive input on matters for discussion.
- 13.6. A quorum for a meeting of Directors is a majority of the Board, unless otherwise fixed by the Directors. The quorum must be present at all times during the meeting.

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- 13.7. Directors must attend all scheduled meetings of the Board including meetings called on an ad-hoc basis for special matters, unless prior apology, with reasons, that has been submitted to the Chair or Company Secretary.
 - 13.8. Directors may attend and be present physically or by electronic communication means. Members of senior management and professional advisors may attend meetings by invitation. The Chief Executive Officer and the Chief Financial Officer have a standing invitation to attend.

14 Voting

- 14.1. Each Director present may vote on any matter raised before the Board for resolution.
- 14.2. The Chair of a Board meeting does not have a casting vote.
- 14.3. If an equal number of votes is cast for and against a resolution of the Board, the matter is decided in the negative.

15 Minutes

- 15.1. Draft minutes of meetings held shall be provided to all Directors within a fortnight of the closure of the meeting for review. The Chair signs final minutes after they are presented to the next scheduled meeting and are formally approved by the Board.

16 Chief Executive Officer

16.1 Role of Chief Executive Officer

Within the Strategic plan and frameworks adopted by Board, the Chief Executive Officer is responsible for:

- a) the development and pursuit of the strategic objectives for HumanAbility within the parameters established by the Board
- b) the effective operational and strategic leadership of the company; and
- c) achievement of the performance and budget targets.

16.2 Responsibilities

Management of HumanAbility's day-to-day operations is undertaken by the Chief Executive Officer, subject to specified delegations of authority approved by the Board, and includes the following:

- a) Exercising leadership and executive stewardship of HumanAbility's resources in a transparent, sustainable, socially and environmentally responsible manner
- b) Developing, proposing, executing and delivering the strategic objectives agreed with the Board
- c) Reporting regularly to the Board with appropriate, timely and quality information so the Board can discharge its responsibilities effectively
- d) Recommending to the Board significant operational changes and major expenditures where these are beyond delegated thresholds
- e) Assigning responsibilities clearly to senior management and overseeing establishment of effective risk management and internal control systems

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- f) Recruiting, developing and retaining talented people to work in HumanAbility and establishing a strong executive management team which is fairly and fully evaluated; and
 - g) Communicating the strategic objectives, vision and values and ensuring these are achieved in practice to staff, stakeholders and industry.

16.3 Referral to Board

Any matters or transactions outside the Delegations of Authority must be referred to HumanAbility's Board for approval.

16.4 Senior Executive Management

The role of the senior executives is to support the Chief Executive Officer and manage the administration and operations of HumanAbility in their field of expertise. Their functions are contained in a formal statement of duties. The results of performance evaluation of executive leaders are furnished to the Board by the Chief Executive Officer at least once per annum, for review and monitoring by the Board.

17 Evaluation, Induction and Review

17.1 Mix of Experience and Skills

Collectively, Board members should have a broad range of governance, financial, industry and other skills, experience, and knowledge necessary to guide HumanAbility.

17.2 Annual Review

The Board will determine and regularly review the composition of the Board, having regard to the mix of skills and experience of individual Directors and duration of the terms served by Directors.

17.3 Induction & Education

New Directors will undertake an induction program to familiarise themselves with HumanAbility's activities. Continuing education and mentorship are available to ensure that Directors can maximise their contribution to strategic direction and successful operation of the company.

17.4 Evaluation

HumanAbility is committed to ensuring that it supports directors and committees to fulfil their duties and responsibilities. An evaluation of the Board, its committees and individual Directors, including the Chair, will be performed at regular intervals with individual evaluations conducted ahead of any new nomination cycle. Evaluation tools will be prepared by the Company Secretary or a third party where appropriate.