

# Governance Charter

Brightwater Care Group Limited

<b>Documentary Integrity Control</b>			
<b>Action</b>	<b>Date of Board Resolution</b>	<b>Effective Date</b>	<b>Authorised by</b>
1. Adoption of this Charter	29 October 2015 (AGM)	9 June 2016 (conversion)	Members and Board
2. Care Committee Terms of Reference refresh	14 March 2018	28 March 2018	Board
3. Business Committee Terms of Reference refresh	6 June 2018	20 June 2018	Board
4. Care Committee guidelines for selection and appointment of representatives	15 August 2018	29 August 2018	Board
5. Care Committee Terms of Reference refresh to reflect new Aged Care Quality and Safety Standards	12 June 2019	26 June 2019	Board
6. Updating of	14 August 2019	28 August 2019	Board

Mission, Vision and Values in Appendix C			
7. Audit & Risk Committee Charter updated to reflect new term and cooling off for External Auditor	11 December 2019	26 December 2019	Board
8. Care Committee Terms of Reference to remove ambiguity of word 'diversity'	1 July 2020	15 July 2020	Board
9. Updating of Values in Appendix C	26 May 2021	9 June 2021	Board
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11. *			
12. *			
13. *			

(\*) to be completed as the Charter may be amended or varied from time to time.

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## Defined terms used in this Charter

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Where used in this Charter the following terms have the following meaning ascribed to them:

“**ACNC**” means the Australian Charities and Not-For-Profits Commission.

“**ACNC Act**” means the *Australian Charities and Not-for-profits Commission Act 2012* (Cth).

“**Appendix**” means an appendix to this Charter;

“**ASIC**” means the Australian Securities and Investments Commission;

“**Board**” means the board or committee of management (howsoever described) of the Organisation;

“**By-laws**” means any by-laws adopted by the Board in the terms of the Constitution;

“**Charter**” means this governance charter as adopted by the Board, as it may be varied from time to time by resolution of the Board;

“**CEO**” means the chief executive officer (howsoever described) of the Organisation, or the person within the Organisation who effectively fulfils that function;

“**CFO**” means the chief financial officer (howsoever described) of the Organisation, or the person within the Organisation who effectively fulfils that function;

“**Chair**” means the chair of the Board;

“**Committee**” means a committee of the Board;

“**Constitution**” means the constitution of the Organisation;

“**Corporations Act**” means the *Corporations Act 2001* (Cth);

“**Director**” means a director or Board member of the Organisation;

“**Ensure**” and “**Assure**”, and derivations of those words, when used in relation to the responsibilities or duties of a Director, the Chair, the Board, the CEO, CFO, Secretary or other officer of the Organisation, means to take all reasonable steps, take reasonable care and make all reasonable and appropriate enquiries within the person’s scope of authority and within the resources reasonably available to the person, so that the stated matter which is to be “ensured” or “assured” might reasonably be expected to be appropriately addressed, or done or not done, as the context requires;

“**Member**” means a member of the Organisation, other than when used in Appendix F;

“**Organisation**” means Brightwater Care Group Limited;

“**Secretary**” means the corporate secretary (howsoever described) of the Organisation, or the person within the Organisation who effectively fulfils that function; and

“**Section**” means a section of this Charter.

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## 1 Introduction

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- 1.1 This Charter is designed as an overarching statement of policy:
- to prescribe a range of governance principles and practices to apply to the Organisation;
  - pursuant to which discrete instruments relating to matters relevant to governance within the Organisation can be generated and incorporated as appendices to this Charter; and
  - to set forth certain protocols relating to the functions, responsibilities and behaviour of relevant personnel within the Organisation.
- 1.2 The Organisation is committed to implementing high standards of governance. In determining what those high standards should involve, amongst other relevant governance guidelines and principles, the Organisation has had regard to standards generally endorsed for like organisations by relevant governance and director institutes.
- 1.3 The Organisation is registered with ASIC as an Australian public company limited by guarantee and therefore abides by the Corporations Act (as applicable), and as a charity with the ACNC and therefore abides by the ACNC Act.
- 1.4 The Charter takes into consideration the Constitution, Corporations Act, the ACNC Act, and the ACNC Governance Standards.
- 1.5 This Charter is intended to complement the Constitution, however to the extent of inconsistency between this Charter and the Constitution, the terms of the Constitution prevail.
- 1.6 This Charter is intended to operate by way of a series of Sections and/or Appendices which may be added to or varied from time to time, the totality of which comprise this Charter.
- 1.7 A copy of this Charter is to be:
- (a) kept with the Organisation's corporate secretarial records;
  - (b) made available to each Director and senior executive for reference purposes; and
  - (c) disclosed on the Organisation's web-site under its "Governance" section.
- 1.8 Relevant Sections and Appendices to this Charter will be the subject of specific communication and education to relevant personnel within the Organisation to assist them in meeting the Organisation's expectations of them.
- 1.9 The Organisation accepts that merely by the Board adopting this Charter, of itself does not ensure the actual or cultural compliance within the Organisation of the principles and policies espoused by this Charter.
- 1.10 It is the Board's commitment to work towards the principles and policies in this Charter becoming a practical and cultural reality for the Organisation in all respects.
- 1.11 This Charter has been adopted by resolution of the Board on the date appearing on the cover to this Charter, effective from the date also there appearing. It can only be amended or varied by resolution of the Board.

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## **2 The Brightwater Philosophy**

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- 2.1 The over-arching Brightwater Philosophy is set out in Appendix C of this Charter.
- 2.2 It is intended to form an ethical and cultural backdrop against which proposed actions and decisions of the Organisation and its people may be better informed.

## **3 Board Charter**

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### **3.1 Role of the Board**

- (a) The Board is the guardian of the purpose for which the Organisation was established, its philosophy and values. The Board is directly accountable to the members for the pursuit of those aims and for the overall performance of the Organisation.
- (b) This Board charter sets out the principles for the operation of the Board and to describe the functions of the Board and those functions delegated to management of the Organisation.

### **3.2 Responsibilities of the Board and Management**

(a) Board Responsibility

The Board is responsible for the overall management and strategic direction of the Organisation and for delivering accountable organisational performance in accordance with the Organisation's goals and objectives. In performing its role, the specific responsibilities reserved to the Board include:

- providing strategic direction to the Organisation and deciding upon the Organisation's strategies and objectives in conjunction with the CEO;
- monitoring the strategic direction of the Organisation and the attainment of its strategies and objectives in conjunction with the executive;
- monitoring the operational and financial position and performance of the Organisation generally;
- driving performance and mission, organisational purpose and outcomes;
- assuring a prudential and ethical base to the Organisation's conduct and activities having regard to the relevant interests of its stakeholders;
- assuring the principal risks faced by the Organisation are identified and overseeing that appropriate control and monitoring systems are in place to manage the impact of these risks;
- reviewing and approving the Organisation's internal compliance and control systems and codes of conduct;
- assuring that the Organisation's financial and other reporting mechanisms are designed to result in adequate, accurate and timely information being provided to the Board;
- appointing and, where appropriate, removing the CEO, monitoring other executive appointments, and planning for executive succession;
- overseeing and evaluating the performance of the CEO, and through the CEO, receiving reports on the performance of other executives in the

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context of the Organisation's strategies and objectives and their attainment;

- reviewing and approving the CEO's remuneration;
- reviewing and approving, in conjunction with the CEO, other executive remuneration;
- appointing and where appropriate, removing the Secretary;
- approving the Organisation's budgets and business plans and monitoring major capital expenditures, acquisitions and divestitures, and capital management generally;
- deciding on the responsible financial management of the Organisation including how money will be managed, such as how electronic transfers, negotiable instruments or cheques must be authorised and signed or otherwise approved;
- ensuring that the Organisation's financial results are appropriately and accurately reported on in a timely manner in accordance with regulatory requirements;
- as part of its oversight and monitoring function, overseeing that the Organisation's governance systems and processes are designed and applied to assure compliance with all relevant laws, governmental regulations and accounting standards;
- ensuring that the Organisation's affairs are conducted with prudential governance transparency and accountability;
- overseeing the design and implementation of appropriate and effective policies, processes and codes of conduct for the Organisation (including with respect to ethics, values, conduct, employment, remuneration, diversity and otherwise) as well as monitoring and reviewing those policies, processes and codes of conduct from time to time;
- ensuring sound Board succession planning including strategies to assure the Board is comprised of individuals who are well able to discharge the responsibilities of Directors of the Organisation;
- providing appropriate Board induction and training for Directors; and
- overseeing member engagement, reporting and information flows.

(b) Management Responsibility - Authority Delegated to Senior Executive Management and Delegated Authority Matrix

- (i) The Board has delegated to the CEO (for sub-delegation as appropriate to his/her senior executive and management team), authority over the management, operations and day to day affairs of the Organisation.
- (ii) This delegation of authority includes responsibility for:
  - developing business plans, budgets and strategies for consideration by the Board and, to the extent approved by the Board, implementing these plans, budgets and strategies;
  - managing the financial affairs including:
    - (A) signing contracts;
    - (B) initiating orders for payment;
    - (C) receiving or depositing money;
    - (D) signing cheques; and

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(E) withdrawal of money from the Organisation's accounts.

All authorisations to expend funds or commit the Organisation to future payments in excess of \$25,000 must be made by two (2) signatories and records maintained for audit on proof of authorisation. The CEO has the responsibility to establish and enforce written procedures for all financial delegations;

- ensuring the Organisation's operations, and the actions of its officers, are within the parameters set by the Board from time to time and that the Board is kept informed of material developments in the Organisation's affairs, operations and business;
  - where proposed transactions, commitments or arrangements exceed threshold parameters set by the Board, referring the matter to the Board for its consideration and approval;
  - identifying and managing operational and strategic risks for the Organisation and, where those risks could have a material impact on the Organisation, formulating strategies for managing and mitigating those risks, including for consideration and endorsement (as applicable) by the Board;
  - managing the Organisation's financial and other reporting mechanisms, and control and monitoring systems, to ensure that these mechanisms and systems capture all relevant material information on a timely basis, are functioning effectively and are founded on a sound basis of prudential risk management;
  - ensuring that the Board is provided with sufficient accurate information on a timely basis in regard to the Organisation, its operations and affairs, and in particular with respect to the Organisation's performance, financial condition, operations and prospects, to reasonably inform and position the Board to fulfil its governance responsibilities; and
  - implementing the policies, processes and codes of conduct approved by the Board and facilitating the monitoring and reviewing of, and reporting against, those policies, processes and codes of conduct.
- (iii) The scope of the CEO's role, authority and responsibilities is more particularly set out in Appendix "I" to this Charter.
- (iv) The scope of the CEO's role, authority and responsibilities must also be set out in formal job descriptions in his/her employment contract (or letter of appointment) with the Organisation.
- (v) The CEO will propose from time to time for consideration and adoption (as applicable) by the Board, a Delegated Authority Matrix (or similar instrument) specifying the levels of delegated authority applicable at Board, Director, CEO, CFO, Secretary, executive and other management levels (as appropriate).

### 3.3 Board Members

(a) Appointment

- (i) Members of the Board are appointed in the terms of the Organisation's Constitution.

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- (ii) Although the election of Board members is substantially the province of the Members in general meeting, within the scope of its Constitution the Organisation commits to the following principles:
- (A) The Board has an appropriate number of independent non-executive directors who:
- are the majority of the Board;
  - can challenge and hold management to account;
  - represent and act in the best interests of the Organisation;
  - are accountable to the Organisation's Members as a whole.
- (B) The Board should comprise of a minimum of 6 Directors, and a maximum of 10 Directors, including a minimum of 4 member elected Directors, such that it is:
- of sufficient size so that the requirements of its responsibilities can be met, and changes to the composition of the Board and its Committees can be managed, without undue disruption; and.
  - not so large as to be unwieldy.
- (C) The Board comprises Directors with a blend of skills, experience and attributes appropriate for the Organisation, its strategies and its operations.
- (D) The principal criterion for the appointment of new Directors is their ability to add value to the Organisation, its objectives and its operations.
- (E) The Board respects and values the benefit of diversity (including skills, experience, perspective, gender, culture, age and otherwise) in order to enhance the probability of achievement of the Organisation's objectives.
- (F) All Board members respect the role of the Governance Committee (refer Appendix E(1)) with respect to Board succession planning.
- (iii) The Organisation should undertake appropriate checks (e.g. as to character, experience, education, criminal and bankruptcy history), and whether the person has been disqualified from managing a corporation under the Corporations Act or being a responsible person under the ACNC Act before appointing a prospective Director or putting him/her forward for candidacy for election or appointment.
- (iv) The Organisation should provide its Members with all "material information" in its possession relevant to a decision as to whether or not to elect or re-elect a director. "Material information" may include but is not limited to:
- biographical details (including relevant qualifications, skills and experience);
  - any other material directorship currently held by the person;
  - a statement by the Board if it does not support the election or re-election of the person;
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- a statement whether the Board considers the person qualifies as an “independent director”;
  - for candidates standing for election for the first time:
    - any materially adverse information revealed by the checks under 3.3(a)(iii) above;
    - any prospective conflict of interest or material circumstances that may influence or impact upon the person’s capacity to bring independent judgement and act in the best interests of the Organisation generally; and
  - for directors standing for re-election:
    - the term of office currently served by the director;
    - any other material information likely to be relevant to the Members’ decision.
- (v) The candidate for appointment/election/re-election as a Director should provide the Governance Committee with:
- all requisite information referred to in (iv) above requested of the candidate by the Board;
  - a consent for the Organisation to conduct background checks referred to in (iii) above;
  - a declaration confirming that they are not disqualified from managing a corporation under the Corporations Act or being a responsible person under the ACNC Act and that they understand what it means to be disqualified;
  - details of his/her other commitments that may impact upon the candidate’s responsibilities as a Director; and
  - an acknowledgement that he/she has sufficient time available to commit to the Organisation and fulfil his/her responsibilities as a Director.
- (b) Remuneration
- Appendix N sets out the Organisation’s remuneration policy for Board members.
- (c) Agreement by Board Members
- (i) Prior to, or upon their appointment, Board members are to be issued a formal letter of appointment (for signing and acceptance by them at the time of their appointment) covering the key terms of their appointment including those set out in Appendix L.
  - (ii) By accepting appointment to office, the Board member agrees to comply with the Constitution and this Charter including its Appendices.
- (d) Access and Indemnity Deed and D&O Insurance
- (i) The Organisation will execute with each Board member and Secretary a deed of access and indemnity in such reasonable form approved from time to time by the Board.
  - (ii) The Organisation will arrange for the benefit of each Board member, subject to cover availability at commercially acceptable premiums to the reasonable satisfaction of the Board, a policy of directors’ and officers’ insurance in such reasonable form approved by the Board.
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(e) Board Member “Independence”

- (i) An independent Board member operates independently of executive management and free of any business or other relationship (personal, business or otherwise) that could materially interfere with, or could reasonably be perceived to materially interfere with, the exercise of their unfettered and independent judgment.
- (ii) Independent Board members accordingly assist in ensuring that the Board and the Organisation operate in the best interests of the Organisation having regard to the goals and objectives of the Organisation.
- (iii) The assessment of whether a Board member is independent is a matter of judgement for the Board as a whole and includes concepts of:
  - (i) length of time served as a director and whether the person has been a director of the Organisation for such a period that his or her independence may have been compromised; and
  - (ii) materiality.
- (iv) All Board members are required to disclose to the Board and the Governance Committee (via the Secretary) any interest, position, association, relationship or information (and any changes thereof) which may be relevant or material to that assessment.
- (v) The Chair, and at least a majority of Directors, should be independent, unless special circumstances exist, are disclosed and are approved of by the Board as an exception to this requirement.
- (vi) The Organisation will disclose on its website:
  - the names of its Board members considered by the Board to be “independent”;
  - the length of service of each Board member;
  - if the Board determines that a Board member’s previously assessed and disclosed “independence” has changed.

(f) Independent Professional Advice

A Board member is entitled to seek independent professional advice (including but not limited to legal, accounting and financial advice) at the Organisation’s expense on any matter connected with the discharge of his or her responsibilities, in accordance with the procedures and subject to the conditions set out below:

- (i) the Board member must seek the prior approval of the Chair (or Deputy Chair as appropriate having regard to the relevant circumstances);
  - (ii) in seeking such prior approval, the Board member must provide details of:
    - the nature of and reasons for the independent professional advice to be sought;
    - the likely cost of obtaining the independent professional advice;
    - details of the independent adviser the Board member proposes to instruct;
  - (iii) the approval of the Chair (or Deputy Chair as appropriate) must not be unreasonably withheld; and
  - (iv) the Chair (or Deputy Chair as appropriate) may prescribe a reasonable limit on the amount that the Organisation will contribute towards the cost of obtaining such advice.
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### 3.4 Board members and Executive Officers – Policy Requirements

- (a) Generally – Codes of Conduct and Policies
- (i) The Organisation has adopted, and Board members and executive officers (as applicable) shall comply with and abide by the Board Members' and Executives' Code of Conduct set out in Appendix F to this Charter which outlines duties imposed on Board members and executive officers under the Corporations Act and the ACNC Act. This code of conduct is in addition to and in augmentation of the Organisation's Code of Conduct/Values set out in Appendix H.
  - (ii) Board members and executive officers shall also abide by such other policies, codes and protocols as may be adopted from time to time by the Organisation and are expected to take a leadership role in their compliance and enforcement.
  - (iii) These Codes of Conduct in Appendices F and H are to be read in the context of the "Brightwater Philosophy" in Section 2 of this Charter.
- (b) Performance Enhancement and Evaluation
- (i) Enhancement:
    - (i) The Organisation commits to providing induction programs for new Board members and executives as well as providing opportunities for the continuing professional development of existing Board members and executives to equip them to better serve the Organisation.
    - (ii) Appendix M sets forth the Organisation's Board and Management Performance Enhancement Policy.
  - (ii) Evaluation and Review
    - (i) The performance of the Board (as a whole), each Board Committee, Board members (individually) and each executive will be periodically reviewed, desirably annually or thereabouts and at other times as decided upon by the Board (and/or the CEO in the case of executives), against measurable and qualitative benchmarks as may reasonably be determined from time to time by the Board (and/or the CEO in the case of executives) having regard to generally accepted governance standards.
    - (ii) This task is delegated by the Board to the Governance Committee. Appendix M (Attachment 2) sets forth the Organisation's Board evaluation policy.
    - (iii) Appendix M (Attachment 3) sets forth the Organisation's Senior Executive evaluation policy.

### 3.5 Board Meetings

- (a) Procedures
- (i) As far as possible, agendas and supporting papers shall be despatched a reasonable period in advance of the meeting.
  - (ii) Subject to the Corporations Act, a quorum for a Board meeting is the greater of 2 Board members and not less than 50% of the Board.
- (b) Frequency
- (i) The Directors may meet, adjourn and otherwise regulate their Board meetings as they think fit.
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- (ii) Subject to the Constitution, the Board should meet at least 6 times per annum, and as often as is necessary to effectively and efficiently fulfil its functions and discharge its responsibilities.
  - (iii) The Board should also schedule annual (or thereabouts) dedicated strategy development and/or review meetings.
  - (iv) Directors are expected to attend at least 75% of all Board meetings in any year.
- (c) Voting
- Although the preferred method of decision making is by consensus resolve, and subject to any overriding provision in the Constitution, in relation to Board decisions:
- (i) each member of the Board including the Chair shall have one vote.
  - (ii) in the case of an equality of voting, the Chair shall have a casting vote in addition to his/her deliberative vote (except where there are only 2 Directors entitled to vote on the resolution before the meeting).
- (d) Minutes
- (i) Draft minutes of each Board meeting shall be recorded, initially settled by the meeting chair and distributed to each member of the Board in a prompt and timely manner after each Board meeting.
  - (ii) The minutes of each Board meeting shall be submitted to the next succeeding meeting of the Board for their formal approval by the Board and their signing by the meeting chair as a fair and correct record of proceedings.
  - (iii) The minutes shall be entered into the Organisation's corporate secretarial records within such time periods as may be prescribed by statute or regulation and in any event within one month of the meeting.
- (e) Venue and Time
- (i) Meetings should be held at such place and time as is reasonably considered appropriate by the Chair to meet the needs of the Organisation.
  - (ii) Subject to (i), the Chair will endeavour to meet the reasonable convenience of the members of the Board (including having regard to each member's other commitments, be they business, domestic, personal or otherwise) in setting the meeting times and venues.
  - (iii) A meeting of the Board may be held using any technology consented to by all Directors.
- (f) Generally
- (i) Meetings of the Board shall be conducted in compliance with the Constitution and any legislative or regulatory requirement binding upon the Organisation and otherwise in accordance with generally accepted procedures for board meetings of like organisations.
  - (ii) Subject to (i) and the other provisions of this Charter, the Chair shall determine the manner and process by which Board meetings shall be held.
  - (iii) The Board should consider meeting periodically in "closed session" without executive Directors and executives present.
- (g) Board Calendar
- (i) To assist the Board in ensuring timely discharge of its duties each year, the Board may from time to time adopt a planning calendar which should at
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least include on it each year reports on strategic governance issues of the general nature set forth in [Appendix K](#).

- (ii) The planning calendar shall be developed by the Secretary in consultation with the Chair and the CEO with an aim for it to be tabled and adopted by the first Board meeting of each financial year.

### 3.6 Board Committees

(a) Overall Board, Committee and key office bearer structure

The Board, Committee and key officer bearer structure for the Organisation is set out in [Appendix B](#) to this Charter.

(b) Committee structure

- (i) The Board has established the following standing Committees to assist the Board in the performance of its responsibilities:

- Governance Committee;
- Audit and Risk Committee;
- Care Committee; and
- Business Committee.

- (ii) Other Committees may from time to time be established by the Board to deal with discrete functions or matters of special importance to the Organisation.

- (iii) For efficiency of operations, where 2 Board Committees comprise the same members, such Committees may sit contemporaneously with one another discharging the functions and responsibilities of each Committee in parallel with one another, although in such cases discrete minutes for each Committee's deliberations within the scope of its terms of reference should be prepared.

(c) Committee terms of reference

- (i) Each Committee has an approved charter and terms of reference under which authority is delegated by the Board. The charters and terms of reference for each standing Committee can be found in [Appendices E\(1\), E\(2\), E\(3\) and E\(4\)](#) to this Charter.

- (ii) A proforma guidelines for the governance structure and procedural workings of each Committee (subject to the specific terms of reference and charter for each Committee) appears as [Appendix D](#).

- (iii) Generally, Committees have an advisory, reporting and recommending function only to the Board. The Board remains responsible for the exercise of power by the Committees, unless the Board has delegated deliberative and/or executive power to the Committee and the Board believes on reasonable grounds in good faith and after making proper enquiry:

- that the Committee would exercise the power in conformity with the duties imposed on the Board by legislation and the Constitution; and
- that the Committee is reliable and its members competent in relation to the power delegated.

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(d) Committee membership and operations

- (i) Committees are to be comprised of Board members (together with others, as appropriate, in the terms of the relevant Committee's charter) who desirably have relevant attributes, skills and experience having regard to the charter and functions of the Committee. Committees may invite others to attend their meetings at the discretion of the Committee chair and/or the Committee itself.
- (ii) Committees will meet as appropriate in the terms of their charters.
- (iii) Relevant business addressed at Committee meetings is to be summarised and reported (as reasonably practicable) to the Board at its next meeting after the Committee meeting.

### 3.7 Key Office Bearers

(a) Chair

- (i) The Chair is responsible for leadership of the Board including;
  - facilitating appropriate information flow to the Board;
  - facilitating the effective functioning of the Board including managing the conduct, frequency and length of Board meetings; and
  - communicating the views of the Board, in conjunction with the CEO, to the Organisation's Members, regulators, broader stakeholders and to the public.
- (ii) In performing his/her role, the Chair's responsibilities also include:
  - in consultation with the CEO and Secretary:
    - setting the agenda for the matters to be considered by the Board;
    - seeking to ensure that the information provided to the Board is relevant, accurate, timely and sufficient to keep the Board appropriately informed of the performance of the Organisation and of any developments that may have a material impact on the Organisation or its performance or risks;
    - seeking to ensure that communications with Members, stakeholders, regulators and the public are accurate and effective;
  - seeking to ensure that the Board as a whole has the opportunity to maintain adequate understanding of the Organisation's financial position, strategic performance, operations and affairs generally and the opportunities and challenges facing the Organisation;
  - facilitating open and constructive communications amongst Board members and encouraging their contribution to Board deliberations;
  - overseeing and facilitating Board, Committee and Board member evaluation reviews and succession planning;
  - counselling and liaising and interfacing with the CEO as the primary contact between the Board and management; and
  - liaising with and counselling, as appropriate, Board members.

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- (iii) Subject to the terms of the Constitution, the Chair is appointed by the Board from amongst its members and holds office at the discretion of the Board until the end of the relevant term, removed from office by the Board or until the Chair resigns from office or is no longer a Board member.
- (iv) In the absence of the Chair, the Deputy Chair (if there is one appointed by the Board) or the senior independent Director, should assume the role that otherwise would be performed by the Chair if the Chair was not absent.
- (v) The Chair should be non-executive and “independent” and the roles of the Chair and the CEO should not be exercised by the same person, except in special circumstances approved of by the Board.
- (vi) The Board may remove the Chair as chair of the Board by Board resolution at any time.
- (b) Deputy Chair (or senior independent Director if a Deputy Chair is not formally appointed)
- (i) The Deputy Chair (if one is appointed), or the senior independent Director if a Deputy Chair is not formally appointed, has the following responsibilities:
- (i) To perform the role and functions of the Chair in the absence of the Chair for any reason.
- (ii) To be available to facilitate the following matters when and as appropriate and required:
- Chair succession planning;
  - approvals and actions required to be performed by the Chair under this Charter, or its policies, where the Chair actually or potentially may be compromised due to personal or other conflict of interest.
- (iii) At the request of the Chair, to support the Chair in the performance of the role and function of the Chair.
- (ii) The Deputy Chair should be an independent non-executive Board member and should not also be the CEO.
- (vii) The Board may remove the Deputy Chair as chair of the Board by Board resolution at any time.
- (c) Secretary
- (i) The Secretary plays an important role in supporting the effectiveness of the governance of the Organisation and of the Board.
- (ii) The Secretary is directly accountable to the Board, through the Chair, on the matters in (v) below, irrespective of any other line management accountability to the CEO or other executive officers.
- (iii) Open and direct lines of communication are to be maintained between Board members and the Secretary (and vice versa);
- (iv) Subject to the Constitution, the appointment/removal of the Secretary is to be effected by a Board resolution.
- (v) The role and responsibilities of the Secretary include:
- advising the Board and its Committees on governance matters;

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- monitoring that Board and Committee policies and procedures are followed;
  - co-ordinating the timely completion and despatch of Board and Committee papers;
  - ensuring accurate minutes of business at Board and Committee meetings are prepared and entered in the Organisation's secretarial records in a timely manner;
  - helping to organise and facilitate Board member induction, professional development and evaluation/review procedures;
  - liaising with ASIC and ACNC on Organisation matters;
  - such other functions and responsibilities prescribed in the Constitution or By-laws to be the responsibility of the Secretary;
  - such other functions and responsibilities as the Board may delegate.

(d) CEO

- (i) The CEO is accountable to the Board and reports to the Chair.
- (ii) The CEO will accept the responsibility, on behalf of management, of the authority delegated in the terms of section 3.2(b) of this Charter.
- (iii) The CEO will enter into a formal executive services agreement with the Organisation which will include:
  - a formal job description including position, duties and responsibilities including having regard to Appendix I;
  - remuneration arrangements;
  - term of tenure and how it may be terminated;
  - any termination entitlements;
  - performance review and evaluation arrangements (desirably at least annually); and
  - such of the information set out in Appendix L for Board members (as may be applicable, especially if the CEO also is a Board member).

(e) Executive Officers

- (i) Executives are accountable to the CEO and to the Board through the CEO.
- (ii) Executives will enter into formal executive services agreements with the Organisation which will include:
  - a formal job description including position;
  - duties and responsibilities;
  - to whom they report;
  - remuneration arrangements;
  - term of tenure and how it may be terminated;
  - any termination entitlements;
  - performance review and evaluation arrangements (desirably at least annually); and

- 
- such of the information set out in [Appendix L](#) for Board members (as may be applicable, especially if the executive also is a Board member).

(f) [Executive officer remuneration](#)

[Appendix N](#) sets out the Organisation's remuneration policy for executives.

### **3.8 Member Meetings**

- (a) Member meetings shall be conducted in a manner that facilitates effective communication with the Organisation's membership base and allows reasonable opportunity for informed participation at such meetings by the Organisation's Members.
- (b) Unless special circumstances otherwise dictate (as determined by the Chair and/or the Board), the Organisation's broader stakeholders may attend at Member meetings but may only speak at such meetings if authority is expressly granted by the Chair.
- (c) The Board will require attendance of the Organisation's external auditor (if applicable) at the Organisation's annual general meeting to answer questions relevant to the conduct of the audit (or review as applicable) and the preparation and content of the auditor's report.
- (d) The Organisation, through the following processes, including communications as provided for in Section 3.9, encourages participation at meetings of Members:
- (i) through use of technology, as appropriate, especially in cases of large numbers of participants or if meetings are to be held in remote or multiple locations;
  - (ii) the opportunity for those who are unable to attend meetings and exercise their right to enquire about or comment on the Organisations, to provide questions or comments ahead of the relevant meeting for answer at the meeting (either verbally or in prepared transcript form).
- (e) The provisions of this paragraph 3.8 are subject to any overriding provision of the Constitution.

### **3.9 Communications with members and other stakeholders**

The Organisation's policy with respect to communications with Members and other stakeholders is set out in [Appendix P](#) to this Charter.

### **3.10 Policies Generally**

(a) [Governance Policies and Codes](#)

The Organisation has adopted the following policies and codes to apply to the Organisation as a whole as well as the Board and the Organisation's executives and personnel generally:

- (i) The Brightwater Philosophy set out in [Appendix C](#).
  - (ii) Conflict of Interest Protocol set out in [Appendix G](#).
  - (iii) Organisation Code of Conduct/Values set out in [Appendix H](#).
  - (iv) Risk Management Policy set out in [Appendix J](#).
  - (v) Board and Management Performance Enhancement Policy set out in [Appendix M](#).
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- (vi) Remuneration Policy set out in Appendix N.
  - (vii) Diversity Policy set out in Appendix O.
  - (viii) Communications Policy set out in Appendix P.

(b) New Governance Policies

Where the Board adopts a new policy relating to the governance of the Organisation (or any part of it) it is to be included as an Appendix to this Charter and from that date will apply as if it formed part of this Charter.

### 3.11 Financial Integrity

(a) External audit/review function

- (i) The Organisation commits to the external audit or review (as applicable) of its books and affairs in accordance with its statutory obligations by the appointment of an independent external auditor.
- (ii) In particular, the external auditor must be independent of and have no relevant material interest, associations or dealings (other than as auditor in the discharge of the duties associated with that appointment) with the Organisation or any Director or other officer of the Organisation.
- (iii) Attachment 1 to Appendix E(2) sets out the Organisation's policy as to external auditor appointment.
- (iv) The external auditor is required to attend the Organisation's annual general meeting (refer Section 3.8(c) above).

(b) CEO and CFO Financial Reports Verification

Before the Board approves the Organisation's financial statements from time to time, the Board will require the CEO and the CFO to state in writing to the Board:

- (i) that in their opinion the Organisation's financial reports have been properly prepared and present a true and fair view of the Organisation's financial condition, performance and operational results and are in accordance with appropriate and relevant accounting standards; and
- (ii) that their opinion has been formed on a sound system of risk management and internal compliance and control which implements the policies adopted by the Board, and to the best of their knowledge after reasonable enquiry that the Organisation's risk management and internal compliance and control system is operating efficiently and effectively in all material respects.

### 3.12 Governance Disclosure

- (a) The Organisation commits to compliance with any regulatory mandated disclosure requirements.
- (b) In particular a current copy of this Charter is to be posted to the Organisation's website with timely updates of any variations to it.

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## **Appendix A**

### **Organisation's Constitution and By-laws**

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**[insert a copy of the Organisation's Constitution and By-laws]**



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## Appendix C

### The Brightwater Philosophy

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#### 1. Vision

To lead in providing care services, support and development opportunities for older people and those with special care needs.

#### 2. Mission – Pursuing the dignity of independence

At Brightwater, no-one is beyond care.

We value the potential that lives inside each and every one of us, no matter what that looks like.

We strive towards our best self every day to keep learning and to keep growing. It's not always easy, but this journey we're on together comes with its own reward. This pursuit of independence brings with it the dignity of control over our own lives. And everyone deserves the right to pursue that.

#### 3. Values

**Caring** - We care for and about each other. We work together to provide inclusive and relevant services in ways that meet the needs and goals of our clients.

**Authentic** - We are open and genuine, enabling us to build meaningful relationships with our clients and each other.

**Courageous** - We find strength in order to make a difference.

**Progressive** – We are inspired to continuously improve ourselves and our services for the benefit of our clients.

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## Appendix D

### Proforma guidelines of governance structure and procedural workings for Committees

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#### 1. Terms of Reference

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- (a) Remit  
[here insert a brief high level summary of the relevant Committee's functions]
- (b) Scope  
[here include a more detailed description of the scope of the relevant Committee's function]

#### 2. Governance

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- (a) Establishment of the Committee
- (i) The Committee is established under the authority of the Board in accordance with the Organisation's Constitution and Governance Charter ("**Charter**").
- (ii) The composition, terms of reference, functions and procedures of the Committee may be amended from time to time by the Board including on recommendation of the Committee.
- (iii) The Committee should be of sufficient size and independence to discharge its mandate effectively, including appropriate diversity of membership to avoid entrenching unconscious bias.
- (b) Membership of the Committee
- (i) The members of the Committee shall be appointed, or re-appointed, by the Board in compliance with the Constitution and the Charter and shall desirably consist of:
- a Committee chair who is to be a Board member;
  - not less than 2 and not more than 4 other Board Members having regard to their skills, experience and attributes; and
  - other persons (if any) determined by the Board.
- (ii) Desirably the majority of members of the Committee and the Committee chair are to be independent non-executive Board members.
- (iii) The period of appointment of each Committee member shall be at the discretion of the Board or until the member retires from office on the Committee by notice to the Committee chair and/or the Board (via the Secretary).
- (iv) Vacancies, which occur within the term of office, shall be filled by the Board.

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- (v) The following executive officers of the Company will normally be available for attendance at Committee meetings at the discretion of the Committee:
- [here insert the titles of the relevant executive officer(s)]
- (vi) The Committee may invite other persons to attend Committee meetings at its discretion.
- (c) Chair
- (i) The Committee chair shall chair meetings of the Committee.
- (ii) In the absence of the Committee chair, the Committee will elect another of its members to chair meetings of the Committee.
- (d) Committee Secretary
- The Secretary will fulfil the usual secretarial role for the Committee. The Committee may exclude the Secretary from attendance at relevant Committee meetings or parts of meetings where issues of potential conflict or confidentiality arise, at which times a member of the Committee itself will be designated to attend to that function.
- (e) Meeting Procedures
- (i) The Committee shall meet at least 3 times annually, or as required, on dates and times agreed by the members, or as called by the Committee chair or at least 2 Committee members.
- (ii) As far as possible, Committee agendas and supporting papers shall be distributed to Committee members a reasonable period in advance of the meeting.
- (iii) A quorum shall comprise at least 50% of members of the Committee, but in any event not less than 2 members.
- (f) Decision making/Committee resolutions
- (i) Preferably decision making and resolutions of the Committee are by consensus.
- (ii) In relation to voting at meetings of Committees, each member of the Committee including the Committee chair shall have one vote, and in the case of equality of voting the Committee chair shall have a casting vote in addition to his/her deliberative vote.
- (g) Minutes
- (i) Minutes of each meeting shall be prepared by the Committee secretary, settled by the Committee chair and distributed to each member of the Committee promptly following the relevant meeting.
- (ii) The minutes of each Committee meeting shall be submitted to the next following meeting of the Board for noting or for deliberation upon matters specifically referred by the Committee to the Board.
- (iii) The minutes of each Committee meeting shall be submitted to the next succeeding meeting of the Committee for their formal approval by the Committee as a fair and correct record of proceedings, and signing by the Committee chair.
- (iv) Minutes of each Committee meeting shall be recorded in the Organisation's corporate secretarial records within one month of the
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meeting and otherwise in compliance with any applicable regulatory requirements.

(h) Power, Authority and External Advice

Committees have the power and authority to do all things necessary or incidental in the proper performance of their role including authority to access information and to consult with and interview Organisation personnel and to take external professional advice as necessary and appropriate.

(i) Reporting (Periodic)

The Committee, through its chair, shall report in summary to the Board at the next Board meeting after each Committee meeting. The report should include but not be limited to:

- material issues arising at the meeting of the Committee and any formal resolutions;
- any matters that in the opinion of the Committee should be brought to the attention of the Board.

(j) Reporting (Annual)

In addition, the Committee, through its chair and with the administrative support of the Secretary, shall submit a report annually to the Board summarising the Committee's activities during the relevant financial year. The report should include:

- reference to the Committee's main authority, responsibilities and duties in the context of this Charter;
- details of meetings, including the number of Committee meetings held during the relevant period, and the number of meetings attended by each Committee member;
- details of any change to the independence or qualifying (as a member of the Committee) status of any Committee member during the relevant period, if applicable;
- a summary of the Committee's operations and performance, and the material issues addressed by the Committee during the relevant period; and
- a review of the Committee's charter and terms of reference and any recommendations arising.

(k) Disclosure

- (i) The names of the members of the Committee will be disclosed on the Organisation's website;
- (ii) With respect to each annual period the Organisation will disclose on its website or in its annual report:
  - the number of times the Committee met; and
  - the individual attendances of Committee members at those meetings.

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## Appendix E(1)

### Governance Committee Charter

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#### Terms of Reference

#### 3. Remit

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To act as a forum of the Board in connection with:

- (a) Nominations function
  - (i) Board member, Chair, Board Committee, Board Committee chairs and CEO identification, succession planning, evaluation/review, induction and professional development.
  - (ii) Ensuring compliance with the Diversity Policy.
- (b) Remuneration function

To act as a recommending, monitoring and review forum of the Board in connection with Board member, CEO and executive remuneration (as applicable).
- (c) Governance function

To act as a monitoring and review forum for the Organisation's governance, and issues arising, and make recommendations to Board as appropriate.

#### 4. Scope

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The scope of the Governance Committee remit will include, but not be limited to matters of:

- (a) Nominations function
  - (i) Board and Committee Membership
    - Board and Board Committee membership, succession planning and performance including through the development and use of a board skills matrix (or like tool):
      - assessing the mix of skills, experience and diversity that the Board is looking to achieve in the Board's membership;
      - assessing the mix of skills, experience and diversity currently represented on the Board;
      - establishing processes for the identification and recruiting of suitable candidates for appointment to the Board and for re-election of existing Directors (as applicable);
      - assessing the "independence" of each non-executive Director, at least annually, including at or around the time of consideration of director elections, and as soon as practicable after any material change in relevant circumstances; and

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- reporting to the Board with a view to the Board regularly assessing whether the “independence” of any of the Directors has been compromised.
  - Board Committee terms of reference review and recommendations including with respect to appointment to Board Committees.
  - Development and implementation of a process for evaluation of Board, Committee and Board member performance.
  - Board member induction and professional development including:
    - regularly reviewing whether the Directors as a group have the skills, knowledge and familiarity with the Organisation and its operating environment required to adequately fulfil their role on the Board and its Committees effectively;
    - where gaps are identified, consider what training or development could be undertaken to fill the gaps;
    - where necessary, providing resources to help develop and maintain its Directors’ skills and knowledge (including accounting skill and knowledge development for Directors without specialist accounting skills or knowledge to ensure their sufficient understanding of accounting and financial matters to fulfil their responsibilities with respect to the Organisation’s financial statements).
  - Regularly reviewing the time and commitment required of a non-executive Director and whether Directors are meeting that requirement.
- (ii) CEO and Executives
- Periodic review of the job description and performance of the CEO according to agreed performance parameters.
  - Plans for succession planning for the CEO position.
  - Involvement in complaints, grievance and disciplinary processes of executives.
- (iii) Diversity
- Diversity Policy development, monitoring and review.
  - Development, monitoring and review of strategies and programs to promote diversity in the Organisation consistent with such diversity policy.
  - Monitoring the implementation by the Organisation of such diversity strategies and programs consistent with such diversity policy.
- (b) Remuneration function
- (i) Generally
- Reviewing prevailing external remuneration benchmarks for comparable positions, with comparable responsibilities, within comparable organisations (revenue, employees, size and otherwise) including in comparable sectors to that of the Organisation.
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- Assessing appropriate remuneration policies, levels and packages for Board members (if applicable), the CEO, and (in consultation with the CEO) other executive and senior managerial officers.
  - Monitoring the implementation by the Organisation of such remuneration policies.
  - Recommending to the Board the Organisation's remuneration policies so as to motivate executives and management to pursue the long-term success of the Organisation within an appropriate control framework.
- (ii) CEO
- Assess, at appropriate and regular intervals, a suitable remuneration and reward package for the CEO in relation to prevailing external practice, internal affordability, performance against goals, and other relevant matters.
- (iii) Non-Executive Board Members
- Reviewing and recommending to the Board whether or not non-executive Board members should be remunerated.
  - If so, reviewing and recommending to the Board an appropriate remuneration framework including the remuneration levels for the Chair, the Deputy Chair (if any) and non-executive Directors, and any supplements to those remuneration levels for Committee participation including for chairs of Committees.
  - Recommending occasions or circumstances (if any) where expense reimbursement or remuneration for extra services or special exertion is appropriate.
- (c) Governance function generally
- (i) Governance Charter development and adoption.
- (ii) Legal and regulatory environment – the Board's and Organisation's compliance with relevant laws and regulations.
- (iii) Constitution, By-laws and this Charter:
- Undertaking periodic review of the Constitution, By-laws and this Charter; and.
  - Ensuring the Board's and the Organisation's compliance with the Constitution, By-laws and this Charter.
- (iv) Board Committee terms of reference review and recommendations arising.
- (d) Generally
- (i) Reporting on these matters to the Board, with recommendations as appropriate.
- (ii) The Committee has the authority to access information and to consult with and interview Organisation personnel and to consult independent professional advisers it considers appropriate to provide advice on matters within the scope of its remit.

The Governance Committee may be requested by the Board to perform other related tasks.

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## 5. Governance

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The pro forma guidelines of governance structure and procedural workings for Committees in accordance with the Organisation's Governance Charter applies to the Committee subject to the following:

- (a) Membership of the Committee
  - (i) Members
    - Committee Chair – the Board Chair or such other person appointed by the Board
    - Other members – between 2 and 4 other Board members appointed by the Board
  - (ii) Special requirements (if any)
    - Desirably Committee Members may have some experience in governance and HR.
    - The Organisation's HR manager may be invited to Committee meetings from time to time as relevant.
    - When dealing with Board Chair succession, the Board Chair should not be the chair of that meeting of the Committee.
    - The following executive officers will generally be available to attend Committee meetings at the discretion of the Committee:
      - CEO
      - Secretary
- (b) Other Special Provisions  
N/A

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## Appendix E(2)

### Audit and Risk Committee Charter

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#### Terms of Reference

##### 1. Remit

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- (a) Audit function  
To oversee the Organisation's financial position, performance and reporting integrity including internal and external audit functions of the Organisation.
- (b) Risk function  
To oversee, review and make recommendations on actions specific to risk identification, management and mitigation for the Organisation.
- (c) Prudential investment function  
To oversee and endorse the organisation's policy and strategy as to investment of the Organisation's available financial resources.

##### 2. Scope

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- (a) Audit function  
The scope of the Audit Committee's remit will include, but not be limited to:
- (i) Financial Statements and Reporting
- Overseeing the adequacy of the Organisation's reporting processes.
  - Overseeing whether the Organisation's financial statements reflect the understanding of the Committee members and whether in their opinion they provide a true and fair view of the financial position and performance of the Organisation.
  - Reviewing, the appropriateness of relevant accounting judgements or choices exercised by management in preparing the financial statements.
  - Reviewing policies and practices in meeting legal and regulatory compliance obligations, including reporting to the ACNC and the Australian Tax Office.
- (ii) External Audit
- Recommending selection, removal (as appropriate) and remuneration of external Auditor and to monitor external Auditor independence.
  - Providing instruction to the external Auditor including ensuring the scope and adequacy of the external audit or review (as applicable).
  - Overseeing the availability of any assistance as reasonably required by the external Auditor.

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- Receiving external Auditor's preliminary audit or review Reports.
  - Overseeing and monitoring implementation of external Auditor's recommendations (as accepted).
  - Ensuring that the audit approach covers all financial statement areas where there is a perceived risk of material error or misstatement.
  - In monitoring external Auditor independence, the Committee will have regard to any legislative or regulatory requirements, and the following principles:
    - It is mandatory that the Audit Partner responsible for the Audit be rotated at least every seven years with at least three years expiring before the Audit Partner can again be involved in the Audit of the Organisation;
    - Monitor the number of former employees of the external Auditor who were involved in auditing the Organisation and who are currently employed in senior financial positions in the Organisation, and assess whether this impairs or appears to impair the Auditor's judgement or independence in respect of the Organisation. An individual who was engaged by the external Auditor and participated in the Organisation's audit or review shall be precluded from employment as CEO or CFO of the Organisation for a period of at least 12 months from the time of the audit or review.
    - Consider whether taken as a whole, the various relationships between the Organisation and the external Auditor and the economic importance of the Organisation (in terms of fees paid to the external Auditor for the Audit or review as well as fees paid to the external Auditor for the provision of non-Audit services) to the external Auditor impair or may appear to impair the Auditor's judgement or independence in respect of the Organisation;
    - Ensure the Organisation does not engage its external Auditor for certain non-audit services (e.g. bookkeeping, financial information systems design, valuations, actuarial services, internal audit outsourcing, human resources and audit non-related legal/expert services) where such work, or the aggregate of such works, or the fees therefrom, may otherwise prejudice or compromise the Auditor's independence. Any proposal to grant the external Auditor non-prohibited non-audit services will be referred to the chair of the Committee by management prior to granting the work.
  - Meeting with the external Auditors without the presence of management.
  - In the selection and appointment of the external Auditors the guidance in the terms of Attachment 1 are incorporated into these Terms of Reference.
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(iii) Internal Audit

- Overseeing and monitoring the scope and adequacy of the Organisation's internal controls and compliance requirements to assure integrity in the Organisation's operations and affairs.
- Assessing the need, or otherwise, for the Organisation to have a dedicated internal audit charter, internal audit plan and/or internal auditor (and if so approving such charter, plan and appointment of the internal auditor).
- Approving and ensuring resourcing of the internal audit function, as appropriate, including budgetary allocation for staffing and external consulting support (as necessary).
- Reviewing and assessing the performance and objectivity of the Organisation's internal audit function, as applicable.

(b) Risk function

The scope of the Committee's remit will include, but not be limited to:

(i) Risk Management

- Approve and monitor policies for identifying and managing/mitigating/transferring risk including in accordance with the Organisation's risk management policy (refer [Appendix J](#) of the Charter).
- Approve and monitor policies for business continuity and crisis planning risk management.
- Receive ongoing risk management reports.
- Review of risk management framework, policies and management processes at least annually to allow the Committee to satisfy itself that they are sound.

(ii) Insurance

- Review and ensure the Organisation carries appropriate levels of insurance.
- Review and monitor terms of insurance policies.

(c) Prudential investment function

To endorse and from time to time review the Organisation's policies and strategies as to the investment of the Organisation's financial resources.

(d) Generally

(i) Reviewing and reporting on these matters to the Board, with recommendations as appropriate, including as to:

- The application of accounting policies and reporting of financial information to members, regulators and generally.
  - The adequacy of the Organisation's processes for managing risk.
  - Any incident involving fraud or other material breakdown of the Organisation's internal controls;
  - The Organisation's insurance program, including having regard to the Organisation's operations and the insurable risks associated with its operations.
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- (ii) The Committee has the authority to access information and consult with and interview Organisation personnel, internal auditors and external auditors and also to consult independent professional advisers it considers appropriate to provide advice on matters within the scope of its remit.

The Committee may be requested by the Board to perform other related tasks.

## 6. Governance

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The pro forma guidelines of governance structure and procedural workings for Committees in accordance with the Organisation's Governance Charter applies to the Committee subject to the following:

- (a) Membership of the Committee
- (i) Members
- Chair – Independent non-executive member of the Board, other than the Board Chair, who is appointed by the Board.
  - Other members – Between 2 and 4 other qualifying Board members appointed by the Board.
- (ii) Special requirements (if any)
- All Committee members must be non-executive.
  - Committee members between them should have accounting/financial and risk management expertise and sufficient understanding of the Organisation's industry to effectively discharge the Committee's mandate.
  - Desirably Committee members should at least be financially literate.
  - The Committee chair should not be the Board Chair and desirably should have financial or accounting expertise or experience.
  - The following executive officers will generally be available to attend Committee meetings at the discretion of the Committee:
    - CEO
    - CFO
    - Secretary
- (b) Other Special Provisions  
N/A

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## Attachment 1

### Guidance for the selection and appointment of an external auditor (as necessary)

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#### 1. Introduction

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The Board is responsible for the preliminary appointment of the external auditor which is to be ratified by members at the next annual general meeting.

The Board's Audit and Risk Committee ("**Committee**") is delegated the task to meet and determine the process by which the auditor should be selected e.g. by way of a formal tender or some other method.

The Committee conducts the selection process and recommends a preferred external auditor to the Board. The Board may endorse the external auditor recommended by the Committee and tentatively appoint him/her. Alternatively the Board may wish to review the recommendation of the Committee.

At the request of the Committee, the CFO and/or CEO may assist the Committee in the selection and appointment process including by proposal of an external auditor, together with a written supporting submission.

#### 7. Tender

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(a) Request for submissions

If the Committee elects to undertake a tender process, the CEO or CFO will prepare or cause to be prepared a draft request for submissions that will be reviewed for approval by the Committee (with such changes as it considers appropriate).

The request should contain sufficient information to enable a proposal and fee estimate to be given to the Company. The request should include information about the Organisation, its operations, its key personnel, its structure, its financials and any other relevant information.

The CEO or CFO may arrange for candidates to meet with a selection panel appointed by the Committee.

(b) Selection Panel

The selection panel will comprise nominated members of the Committee, and any other person the Committee considers appropriate to assist it to assess the suitability of the external auditor.

#### 8. Selection Criteria

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The preferred external auditor should best satisfy the selection criteria identified by the Committee including:

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- (a) Fees  
A candidate should provide a firm fee quotation for its audit services. However price will be but one of the relevant factors in the selection of a preferred external auditor.
- (b) Independence  
A candidate must satisfy the Committee that it is independent and outline the procedures it has in place to maintain its independence.  
The external auditor must be independent from, and be seen to be independent from, the Organisation.
- (c) Scope of audit/issues resolution  
A candidate should outline its response to the scope of audit in the request for submissions and any proposed procedures to address any issue of material significance or matter of disagreement with the Organisation's management.  
The external auditor and the CFO will be required to disclose to the Committee all such issues of material significance and all matters of disagreement, whether resolved or unresolved.
- (d) Non-audit work  
A candidate must detail its approach to the provision of non-audit related services to the Organisation. Generally such work should be at most immaterial.  
  
If proposed otherwise, the Committee must consider the circumstances in which the Organisation might use the external auditor for non-audit services. Matters to be considered include the extent, scope and potential value of non-audit fees and any circumstance where the external auditor may be required to review and rely upon work conducted by it in a non-audit capacity.  
  
The scope of non-audit work must not be allowed to impinge upon the external auditor's independence (refer also paragraph 4 below).
- (e) Other matters  
The selection criteria may include such other matters as the Committee thinks fit.

## **9. Policy on audit and non-audit services**

---

The Committee may develop a policy that sets out the circumstances in which the Organisation may use the external auditor for other services. A copy of this policy will be provided to the external auditor.

The policy will be based on the following principles:

- (a) the external auditor may provide audit and audit-related services that, while outside the scope of the statutory audit, are consistent with the role of auditor;
- (b) the external auditor should not provide services that are perceived to be materially in conflict with the role of auditor;
- (c) the external auditor may be permitted to provide a limited number/value of non-audit services that are perceived to be not materially in conflict with the role of auditor, subject to the approval of the Committee;
- (d) exceptions may be made to the policy (with specific Board approval) where the variation is in the best interests of the Organisation and arrangements are put in place to preserve the integrity of the external audit process.
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**10. Rotation of external audit engagement partner**

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The Committee will ensure that the external auditor has in place arrangements for rotation of the audit engagement partner.

The audit engagement partner for the audit must rotate at least every 7 years.

**11. Review of audit arrangements**

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The Committee will periodically review the external auditor's performance, at least annually. As part of this review, the Committee will obtain feedback from the CEO, CFO and other members of senior management regarding the quality of the audit service.

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## Appendix E(3)

### Care Committee Charter

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#### Terms of Reference

##### 1. Purpose and Remit

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The Care Committee's (CC) primary purpose is to ensure that Brightwater maintains a safe and quality environment for both our clients and staff, and that the Organisation's clinical governance and client feedback functions represent best practice, operate effectively, align with strategy and reflect the Brightwater Mission.

The Care Committee's remit includes, but is not limited to, oversight of the following:

- (a) Clinical governance;
- (b) Strategic and external environment;
- (c) Compliance;
- (d) The "Voice of the Client"; and
- (e) Research.

##### 2. Scope

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The scope of the Care Committee remit will include, but not be limited to matters of:

- (a) Clinical Governance
    - (i) Overseeing the outcomes of the Clinical Governance framework to ensure the Organisation and its practices meet robust standards of clinical governance consistent with best practice.
    - (ii) Oversee organisational indicators to ensure that the Organisation operates safe and quality services, including high-level clinical risk and clinical incident management.
  - (b) Strategic and External Environment
    - (i) Overseeing the Organisation's scope of practice to ensure it meets the needs of the current client population and considers needs of future clients.
    - (ii) Reviewing the community need for care services in the context of the Organisation's current client groups to ascertain if there is a defined unmet need within other diagnostic groups of clients, or if additional care services should be delivered to existing clients. Providing recommendations to the Board on the Organisation's response to address high-level future government and industry trends.
  - (c) Compliance
    - (i) Reviewing Aged Care Standards and Accreditation outcomes, and the National Disability Standards monitoring, and where possible, measuring and monitoring those outcomes against best practice and our peers.
    - (ii) Reviewing the results of the organisations internal audit program.
-

- 
- (iii) Overseeing that the Organisation's targets for supported (financially) residents.
  - (d) The Voice of the Client
    - (i) Reviewing client feedback and organisational trends to ensure that the voice of the client, family and carer is both captured and responded to effectively. This may include (but is not limited to) consideration of complaints and compliments, opportunities for improvement, trends and client surveys, or other feedback mechanisms.
    - (ii) Providing input on considerations around client engagement, with a view to constantly improving the client experience.
    - (iii) Overseeing the balance between dignity of risk and choice for clients.
  - (e) Research
    - (i) Review the effectiveness of research outcomes on changing practice in core business.
    - (ii) Maintain oversight of the research strategy.
  - (f) Generally
    - (i) Reviewing and reporting on these matters to the Board, with recommendations as appropriate.
    - (ii) The Committee has the authority to access information and to consult with and interview Organisation personnel, and to consult independent professional advisers it considers appropriate to provide advice on matters within the scope of its remit.

The Care Committee may be requested by the Board to perform other related tasks.

### **3. Governance**

---

The pro forma guidelines of governance structure and procedural workings for Committees in accordance with the Organisation's Governance Charter applies to the Committee subject to the following:

- (a) Membership of the Committee
  - (i) Members
    - Committee Chair – a Board member appointed by the Board
    - Other members:
      - (1) 2 other Board members appointed by the Board.
      - (2) 1 x community representative appointed by the Board who has a broad understanding of the sector and community priorities that are related to the Care Committee's remit.
      - (3) 1x client or consumer representative appointed by the Board who can represent and advocate for the client and families in matters related to the Care Committee's remit.
      - (4) CEO (ex officio).
      - (5) General Manager Residential (ex officio).
      - (6) General Manager Community (ex officio).

- 
- (7) General Manager Business Relationships and Business Development (ex officio).
- (8) Any other person or member of the Organisation that the Committee considers appropriate or desirable to be appointed to the Committee (on such terms as the Committee deems fit).
- (ii) Special requirements (if any)
- Desirably Committee Members may have some experience in care and health related environments.
  - Any of the Organisation's Service Managers or key specialist roles may be invited to Committee meetings from time to time as relevant.
  - The following executive officers will generally be available to attend Committee meetings at the discretion of the Committee:
    - CEO
    - Secretary
- (b) Other Special Provisions  
N/A

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## Guidelines for the selection and appointment of consumer and community representatives to the Care Committee

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### 1. Introduction

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The Board is responsible for the appointment of a consumer (“**Consumer Representative**”) and community representative (“**Community Representative**”), (collectively, the “**Representatives**”) to the Care Committee.

The Board’s Care Committee (“**Committee**”) is delegated the task of administering and implementing the Selection Process for the Representatives.

The Committee conducts the Selection Process and recommends Representatives to the Board. The Board may endorse the Representatives recommended by the Committee and appoint him/her. Alternatively the Board may wish to review the recommendation of the Committee and, if considered necessary, request the Committee make further recommendations.

### 2. Selection Process

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(a) Nomination Time Period

The Committee will allow for the nomination of prospective Representatives to be open for a period of 30 days, or such longer time as the Committee considers appropriate or practical.

(b) Request for Nominations

The Committee Chair will call for members of the Committee to nominate a person who they consider appropriate for the role and who will satisfy the Selection Criteria outlined below.

(c) Selection Panel

The Committee Chair may arrange for nominees to meet with a selection panel appointed by the Committee.

The selection panel will comprise nominated members of the Committee, and any other person the Committee considers appropriate to assist it to assess the suitability of the nominees. This may include Management and the Company Secretary as required.

(d) Recommendation

The Committee will, following completion of the nomination period provided under paragraph 2(a) above, deliberate and make a recommendation to the Board as to which nominee they propose to be appointed to the Committee, taking into consideration:

- (i) the outcome of any Selection Panel process; and
- (ii) the nominees’ satisfaction of the Selection Criteria outlined below.

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### 3. Selection Criteria

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The preferred nominee should best satisfy the Selection Criteria identified by the Committee, including:

(f) Independence

If a nominee has a previous association with Brightwater in any capacity, for example as a resident, family member, consultant, associate or former staff member, this does not automatically preclude them for being a nominee.

However, a nominee must still satisfy the Committee that they have sufficient independence of the Committee and the Board to fulfil the role of a Consumer or Community Representative – ie – they must not have a relationship with the Organisation that would reasonably impair their ability to exercise independent judgement as a member of the Committee.

(g) Consumer Representative

A nominee must satisfy the Committee that they have sufficient connection and experience with the consumer perspective in the market. Examples of interests, positions or roles which indicate a person's consumer presence and awareness include those who:

- i. have spent time as a resident at a facility;
- ii. have spent time as a carer; or
- iii. have worked as a volunteer or advocate in the sector, or similar.

These examples are not exhaustive and are for guidance purposes only.

(h) Community Representative

A nominee must satisfy the Committee that they have a degree of responsibility to the community as a whole or are known to a broad section of the community. Examples of interests, positions or roles which indicate a person's community presence include those who:

- (i) perform or have performed a significant public function;
- (ii) are a member of a professional body having a code of ethics or rules of conduct;
- (iii) are a director or an Executive of a public company;
- (iv) have received formal recognition from Government or the community for services provided to others; or
- (v) are an individual before whom a statutory declaration may be made.

These examples are not exhaustive and are for guidance purposes only.

(i) Experience

A nominee will desirably have some experience in care and health related environments although this is not essential.

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#### **4. Scope of the role of the Representatives**

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As a member of the Committee, the roles of the Representatives are to undertake the remit and scope of work of the Committee provided in the Organisation's Governance Charter, Appendix E(3) – Care Committee Charter.

In order to meet the requirements of this remit, the Representatives will need to:

- (i) attend meetings of the Committee;
- (ii) deliberate on proposals and agenda items;
- (iii) make recommendations to the Board; and
- (iii) vote on decisions.

The Representatives are expected to utilise their consumer and community presence to raise fresh perspectives or give unique insight into deliberations and proposals considered by the Committee.

#### **5. Term of Representatives**

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A Representative may not serve as a member of the Committee for more than two years from their date of appointment, noting that this may be extended by mutual agreement between the Committee and the Representative for a further two Terms of two years each, to serve a maximum of six years on the Committee.

#### **6. Review of Representatives**

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The Committee will review the roles of the Representatives at the end of each Term. As part of this review, the Committee will determine whether the Representatives adequately satisfy the Selection Criteria outlined at paragraph 3 above.

If the Committee determines that the Representative/s no longer satisfy the Selection Criteria, the Committee must recommend to the Board that the Representative/s be removed from the Committee and a new Representative/s be appointed in accordance with these guidelines.

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## Appendix E(4)

### Business Committee Charter

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#### Terms of Reference

##### 1. Purpose and Remit

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On reference from the Board from time to time, the Business Committee's purpose is to analyse information and provide recommendations to the Board on a variety of business and executive functions, under the following remit (not necessarily in order of priority):

- (a) Financial Management function  
To analyse internal and external financial information for the purposes of identifying material issues impacting on the Organisation's finances and to review financial management matters referred by the Board.
- (b) Investments function  
To review the Organisation's investment strategy and returns in consideration of relevant investment conditions, prepare updated investment policies and review investment matters referred by the Board.
- (c) Business Opportunity and Project Evaluation function  
To review and assess business opportunities tabled by Management and referred by the Board, and to monitor project progress and development.
- (d) Executive function.  
To act in an executive decision making capacity in circumstances authorised and referred by the Board.

##### 2. Scope

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The scope of the Business Committee remit may include, but not be limited to, matters of:

- (a) Financial Management
    - (i) Analysis of information relevant to the Organisation's financial management including Audit & Risk Committee reports and recommendations, the Organisation's policies or conduct, current financial conditions and trends to identify material financial issues impacting, or at risk of impacting, the Organisation's finances which are outside the scope of the Audit & Risk Committee.
    - (ii) Reviewing aspects of the Organisation's financial management referred to the Committee by the Board that are outside the scope of the Audit & Risk Committee.
-

- 
- (b) Investments
    - (i) Undertaking major reviews of the Organisation's investment strategy in consideration of economic and investment market conditions and preparing updated strategic policies, performance benchmarks or investment mandates for consideration by the Board.
    - (ii) Reviewing aspects of the Organisation's investments approach referred to the Committee by the Board that are outside the scope of the Audit & Risk Committee.
  - (c) Business Opportunities and Project Evaluation function
    - (i) Reviewing and assessing feasibility reports and business case submissions provided to the Committee by the Board or Management in consideration of organisational strategies, feasibility, risk factors and completeness.
    - (ii) Reviewing and assessing proposals submitted for feasibility, risk, completeness and fit to organisational strategy.
    - (iii) Monitoring the progress of business projects or initiatives against established targets and timeframes.
  - (d) Executive function

To act in an executive decision making capacity on specific reference and delegation from the Board, on occasions of necessity where it is not reasonably practical to convene a special Board meeting for the purpose or to defer a matter to the next Board meeting.
  - (e) Generally
    - (i) Reviewing and reporting on these matters to the Board, with recommendations as appropriate.
    - (ii) Providing recommendations to the Board on matters relating to the implementation or amendment of policies and procedures related to the Business Committee's remit.
    - (iii) The Committee has the authority to access information and to consult with and interview Organisation personnel and to consult independent professional advisers it considers appropriate to provide advice on matters within the scope of its remit.

The Business Committee may be requested by the Board to perform other related tasks.

### **3. Governance**

---

The pro forma guidelines of governance structure and procedural workings for Committees in accordance with the Organisation's Governance Charter applies to the Committee subject to the following:

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(a) Membership of the Committee

(i) Members

- Committee Chair – the Deputy Board Chair or such other person appointed by the Board
- Other members:
  - (1) Between 2 and 4 other Directors appointed by the Board.
  - (2) The Board Chairman (ex officio).
  - (3) the CEO (ex officio).

(ii) Special requirements (if any)

- Ideally most Committee Members will have experience in business and financial matters.
- The following executive officers will generally be available to attend Committee meetings at the discretion of the Committee:
  - CFO
  - Secretary

(b) Other Special Provisions N/A

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## Appendix F

### Board Members' and Executives' Code of Conduct

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In this Code the term “**Member**” refers to a Board member and each member of the Organisation’s executive or leadership team, and includes any “director or officer” of the Organisation as defined in the Organisation’s enabling legislation.

By this Code Members are expected to lead by example with management charged with responsibility for creating a culture in the Organisation that promotes ethical and responsible behaviour.

#### 4. Care, Skill and Diligence

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A Member has a duty to use reasonable care and diligence in fulfilling the functions of the office of the Member and exercising the powers attached to that office.

#### 5. Good Faith

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A Member must act honestly, in good faith, and in the best interest of the Organisation and for a proper purpose.

#### 6. Proper Purpose

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A Member must use the powers of the Member’s office for a proper purpose of the Organisation. A Member’s primary responsibility is to the Organisation but the Member should also have regard to the interests of the Organisation’s members as a whole and its stakeholders.

#### 7. No Misuse of Information

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A Member must not misuse information gained as a Member improperly to gain advantage for the Member, or for someone else, or to cause detriment to the Organisation.

#### 8. No Misuse of Position

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A Member must not misuse his or her position as a Member improperly to gain advantage for the Member, or for someone else, or to cause detriment to the Organisation.

#### 9. Conflicts of Interest

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A Member must avoid compromising their duties or responsibilities to the Organisation through a conflict of interest and must not give preference to personal or other interests, or to the interests of any associate or related person/entity, where to do so may be in conflict with the interests of the Organisation.

#### 10. Disclosure of Interests

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- (a) A Board Member and the CEO must disclose in accordance with the Organisation’s Governance Charter to all other Board Members any material

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personal or other interest that he or she, or any associate or related person/entity, may have in a matter that relates to the affairs of the Organisation.

- (ii) A non-Board Member must disclose via the CEO any material personal or other interest that he or she, or any associate or related person/entity, may have in a matter that relates to the affairs of the Organisation.

## **11. Financial Affairs**

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A Member has a duty to ensure that the Organisation's financial affairs are managed in a responsible manner, which includes ensuring that the Organisation puts in place and maintains appropriate and tailored financial systems and procedures.

## **7. Insolvent Operation**

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A Member has a duty to not allow the Organisation to operate while insolvent.

## **12. Accountability**

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A Member has a duty to account to the Organisation for relevant opportunities which arise as a result of his or her being a Member and to use the Organisation's resources only for the best interests of the Organisation for a proper purpose.

## **13. Confidentiality**

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Confidential information received by a Member in the course of his or her duties of office remains the property of the Organisation and should not be disclosed to any other person without the prior written informed consent of the Chair or the CEO unless the disclosure is under compulsion of law, and even then only after prior written advice to the Chair or the CEO.

## **14. Board Decisions**

---

When making a decision, a Member must make the decision in good faith for a proper purpose and without material personal interest, must use reasonable care and diligence when assessing the subject matter of the decision, and must rationally believe the decision to be in the best interests of the Organisation.

## **15. Reliance on Information by Board Members**

---

A Board Member may reasonably rely on information or advice from Board Committees, officers and competent experts and advisers to the Board or the Organisation provided he or she does so in good faith and makes an independent assessment of the information or advice and the competence of the person or group providing the information or advice.

## **16. Delegation by Board Members**

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When delegating powers, a Board Member must satisfy his or herself as to a delegate's reliability and competency and must reasonably believe in good faith that the delegate will act in conformity with their duties and the Constitution.

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**17. Organisation Reputation**

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A Member should not engage in conduct likely to have an adverse effect on the reputation of the Organisation.

**18. Compliance**

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A Member must comply with all applicable laws and regulations and act in accordance with this Code of Conduct.

**8. Policy Adherence**

---

Without restricting a Member's right to question the appropriateness of any policy, process or code of conduct in this Charter through appropriate channels, a Member must not act in a manner contrary to, or which denigrates, any such policy, process or code of conduct.

**9. Policy Communication and Enforcement**

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This Policy is to be communicated and promoted to Members with reinforcement by appropriate training and proportionate disciplinary action if it is breached.

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## Appendix G

### Conflict of Interest Protocol

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#### 1. Purpose

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The purpose of this protocol is to provide guidance to the Organisation's Board members (**Board Members**) in the event of a conflict of interest arising for those Board Members (either duty v's duty or duty v's personal interest) and to provide for the establishment of procedures to facilitate good corporate governance and legal compliance.

#### 2. Background

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- 2.1 The Organisation is regulated for these purposes by its Constitution, the ACNC Act (encompassing the ACNC Governance Standards) and the Corporations Act (to the extent it is applicable to the Organisation as a registered charity).
- 2.2 It is noted that sections 191 – 194, regarding the disclosure of material personal interests, do not apply to the Organisation by virtue of the operation of Part 1.6 of the Corporations Act.
- 2.3 This policy document is confined to "conflicts of interest" and does not purport to extend to the broader general common law and statutory duties of Board Members.

#### 10. Adoption and Monitoring

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- 3.1 This policy document has been adopted and endorsed by the Board.
- 3.2 The Board will periodically monitor compliance with this policy document.

#### 11. Principal Obligations

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- 4.1 Generally (subject to any specific requirements of the Constitution, the ACNC Act and the Corporations Act (to the extent it is applicable to the Organisation as a registered charity)):
  - **(paramountcy)** provisions in the ACNC Act and Corporations Act take priority over any conflicting provisions in the Constitution and this Charter, to the extent those Acts apply to the Organisation in accordance with their provisions and the Constitution;
  - **(disclosure)** a director who has a material personal interest in a matter that relates to the affairs of the Organisation must give the other directors notice of the interest unless a prescribed exception applies;
  - **(contents of notice)** the notice must give details of the nature and extent of the interest and the relation of the interest to the affairs of the Organisation;
  - **(timing of notice)** the notice must be given at a Board meeting as soon as practicable after the Board Member becomes aware of the interest in the matter;
  - **(minutes)** the details must be recorded in the minutes of the meeting;
  - **(standing notice)** a Board Member may give standing notice of an interest, including before the interest becomes a material personal interest; and

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- **(participation)** the ability of a Board Member to participate in the Board meeting at which the matter will be considered and to count towards the quorum of that meeting will be governed by the Constitution.

#### 4.2 Specific constraints

- **(restrictions on voting and being present)** a Board Member who has a material personal interest in a matter being considered at a Board meeting must not:
  - be present while the matter is being considered or deliberated;
  - vote on the matter;
- **(exceptions – subject to contrary specific requirements of the Constitution, the ACNC Act and Corporations Act (to the extent it is applicable to the Organisation as a registered charity))** the following exceptions generally apply to the foregoing:
  - **(participation with Board approval)** the other Board Members who don't have a material personal interest pass a resolution identifying the relevant Board Member (and the extent and nature of his/her interest and its relation to the affairs of the Organisation) and stating they are satisfied the relevant Board Member should not be disqualified from being present and voting; or
  - **(participation with regulatory approval)** an order may be made by the relevant regulator under the legislation under which the Organisation is constituted;
- **(participation with member approval)** if a quorum of non-conflicted Board Members is not possible, the Board may convene a meeting of members or the Organisation to resolve the matter (notwithstanding the conflict of the Board's Directors).

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## 12. Board Procedures to Assure Sound Governance

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- 5.1 Listed in 5.2 are examples of circumstances which are likely to give rise to a Board Member having a conflict of interest or prospective conflict of interest (**Relevant Circumstance**) but excluding a circumstance, event or conflict arising only from the Board Member (or a Related Party – refer paragraph 5.3 following):
- being a Member of the Organisation;
  - being a routine customer or recipient of goods or services from the Organisation in the ordinary course of the Organisation’s operations; or
  - holding a position of office in the Organisation.
- 5.2 Non-exhaustive examples of Relevant Circumstances include:
- a Board Member or a Related Party has a direct or indirect pecuniary interest in a contract or proposed contract with the Organisation;
  - a Board Member or a Related Party holds an office in an entity with which the Organisation may have dealings;
  - a Board Member or a Related Party has an investment in an entity with which the Organisation may have dealings, other than a mere portfolio investment where investment discretion substantially resides with a third party; and
  - any other transaction or circumstance affecting the Organisation where the Board Member (acting in good faith with objectivity and reasonableness) may believe that they might not be able to exercise judgement with impartiality in the best interests of the Organisation.
- 5.3 For the purpose of this policy a “**Related Party**” refers primarily to a Board Member’s spouse or other “close” family member (depending upon the circumstances without prescriptive intent) or other corporate, trust or nominee entity or person over whom the Board Member or other persons as aforesaid may substantially exercise control or influence.
- 5.4 Each Board Member must give notice in writing to the Secretary of the nature and extent of each Relevant Circumstance as soon as he or she becomes aware of it (or in the case of the Secretary, to the Chair). If such notice is not given prior to the Board meeting at which a matter will be considered which relates to the Relevant Circumstance, the Board Member must declare the Relevant Circumstance to the Board meeting prior to the matter being considered.
- 5.5 The Secretary should cause every notification or disclosure of a Relevant Circumstance to be recorded in a Register of Relevant Circumstances – Conflicts of Interest of Board Members (**Register**) to be maintained (under the control of the Secretary) and which Register is to be available for inspection at any time on request, and is to be brought to the attention of Board meetings when business of the meeting may impinge or touch upon a Relevant Circumstance.
- 5.6 It is the obligation of each Board Member to ensure that the particulars in the Register with respect to themselves are current, complete and accurate in all material respects.
- 5.7 It is the obligation of the Secretary periodically (at least annually) to enquire of the Board Members if there should be any variations to the Register.
- 5.8 Unless there be special reason to the contrary (in the interests of the Organisation and for efficiency of meeting process), as determined by the person presiding at the meeting and with the agreement of all the remaining Board Members not affected by the Relevant Circumstance, the affected Board Member shall absent himself or herself from the Board
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meeting whilst the meeting considers, deliberates and votes on any relevant matter for which an affected Board Member may be affected by a Relevant Circumstance.

- 5.9 The person presiding at the meeting may request the affected Board Member to address the meeting preliminary to the relevant subject matter being under consideration and to respond to specific queries at the meeting, but the Board Member shall not be under any obligation to so address or respond if the affected Board Member considers it inappropriate to do so.
- 5.10 In particular, each Board Member affected by a Relevant Circumstance may not take part in any deliberations, decisions or voting on a matter at a Board Meeting in which the Relevant Circumstance gives rise to a conflict of interest of the Board Member, subject to any exceptions referred to in paragraph 4 above.

### **13. Board Committee Meetings**

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This Conflict of Interest Protocol shall apply in the same manner to Board Committees as it does to the Board itself with such adaptations as are necessary to give effect to the interest of this paragraph.

### **14. Attachments**

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Attachments G(1) and G(2) to this Conflict of Interest Protocol include procedures and forms to assist giving procedural effect to this Conflict of Interest Protocol.



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## Attachment G(2)

### Register of Conflicts of Interest (refer Governance Charter)

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#### 1. Preliminary Notes:

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- (a) A separate folio section is to be maintained for each Director from time to time.
    - (iii) A copy of each Notice of Disclosure received from a Director is to be filed in the separate folio section referable to that Director.
    - (iv) The composite of all folio sections (together with filings under each folio section) is to constitute this Register.
    - (v) On the header sheet for each folio section is to be entered:
      - (i) the name of the Director; and
      - (ii) the date of each notice of disclosure received and the date of entry in the Register of each notice of disclosure.
- (refer pro-forma attached).
- (vi) A copy of this Register should be available at all relevant times for reference purposes.

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**Attachment G(2) (cont)**

**[Pro Forma] – Header Sheet for each Folio Section of the Register**

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Name of Director: [ ]

Disclosure Notices	Details of Relevant Circumstance(s)
1. Date of Notice: Date of Entry in Register:	
2. Date of Notice: Date of Entry in Register:	
3. Date of Notice: Date of Entry in Register:	
4. Date of Notice: Date of Entry in Register:	
5. Date of Notice: Date of Entry in Register:	

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## Appendix H

### Organisation Code of Conduct/Values

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#### 1. Introduction

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- 1.1 The Organisation is committed to being a responsible corporate citizen. The Organisation interprets its responsibilities as not only requiring it to abide by the laws respectively binding upon the Organisation, but also requiring it to conduct its business in accordance with the ethical principles and practices set out in this Code.
- 1.2 The Board charges management with and requires that the Code extends to the Organisation as a whole, including the Board and the Organisation's executives and personnel generally so as to create a culture within the Organisation that promotes ethical and responsible behaviour.
- 1.3 This Organisational Code of Conduct/Values is to be read and construed in the context of the Brightwater Philosophy (refer [Appendix C](#)).

#### 15. Organisational and Operational Integrity

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2.1 Honesty, integrity and fairness

The Organisation recognises the importance of conducting its operations in a manner consistent with the principles of honesty, integrity and fairness.

2.2 Legal and regulatory compliance

Compliance with all relevant laws and regulations binding upon the Organisation is expected.

2.3 Transparent accountability

The Organisation recognises the attributes of transparent accountability in the management of the Organisation's affairs, subject to prudential confidentiality and commerciality constraints.

2.4 Political Involvement

The Organisation will not participate in party politics. This does not restrict the Organisation appropriately advocating or supporting policies relevant to the Organisation's best interests, which policies may have political implications.

2.5 Bribes and Corruption

Corrupt practices are not acceptable, irrespective of local standards or practices in the place of business. The Organisation and its personnel must not, directly or indirectly offer, pay, solicit or accept bribes or participate in any corrupt arrangements or payments, and must promptly notify the Organisation's designated officer (if any) for probity matters (or in the absence of a designated officer, the CEO or Chair) should any information concerning such practices come to their attention.

2.6 Competition

The Organisation supports the principles of free and fair competition in the market in compliance with applicable competition and consumer protection laws.

2.7 Privacy and Information

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The laws in relation to privacy, and the use of confidential or sensitive information, will be respected by the Organisation.

2.8 Conflicts of Interest

Conflicts of interest are to be avoided.

Where a conflict of interest does arise, full disclosure must be made to the person's supervising officer (or otherwise as provided in the Organisation's Governance Charter) and all relevant persons must not participate in any related decision-making processes.

2.9 Whistleblowing

The Organisation is committed to fostering an environment where concerns about illegal or unethical behaviour which affect the Organisation can be reported in the confidence and without fear of retribution. The Organisation will treat reports of this kind to the designated officer (if any) for such purpose (or in the absence of a designated officer, the Organisation Secretary or the CEO or the Chair) with the seriousness they deserve and investigate and act on them appropriately and promptly.

## **16. Labour**

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3.1 Discrimination

The Organisation recognises the dignity of each worker, and the right to a workplace free of harassment, abuse and unfair punishment. Decisions on hiring, salary, benefits, advancement, termination or retirement will be based on the best interests of the Organisation and the person's ability to fulfil the relevant requirements of the position. There must be no discrimination based on race, creed, gender, marital or maternity status, religious or political beliefs, age or sexual orientation.

3.2 Forced Labour

The Organisation must not use forced labour in any form.

3.3 Child Labour

The Organisation recognises the rights of every child to be protected from economic exploitation and from performing any work that is likely to be hazardous or to interfere with the child's education, or to be harmful to the child's health or physical, mental, spiritual, moral or social development.

3.4 Compensation

The Organisation will provide each worker with at least the minimum prevailing legislated wage.

3.5 Benefits

The Organisation must provide each worker with all benefits legally required.

3.6 Hours of Work/Overtime

The Organisation will comply with legally mandated work hours, and compensate for overtime (as appropriate).

3.7 Freedom of Association

The Organisation recognises the right of workers to form and join trade unions and to bargain collectively.

3.8 Diversity

The Organisation respects and values the benefit of diversity (including skills, experience, perspective, gender, culture, age and otherwise) to enrich the Organisation and to enhance the probability of achievement of the Organisation's objectives.

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**17. Health and Safety**

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The Organisation aspires to providing a safe and healthy working environment at all times, in accordance with accepted sound practices for occupational health and safety, including having regard to prevailing knowledge of the industry and of any known and probable specific hazards.

**18. Environment**

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The Organisation and its personnel must comply with all applicable environmental laws and regulations.

**19. Community**

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The Organisation will strive to be a respected corporate citizen and to operate in a manner which encourages a lasting, beneficial and constructive relationship with the communities in which it operates.

**20. Contractors**

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The Organisation expects its principal contractors and suppliers to observe comparable standards to those set out in this Code of Conduct in their dealings with the Organisation.

**21. Compliance**

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The Organisation should ensure the availability, communication and training of this Code of Conduct throughout the Organisation, its personnel and its principal contractors and suppliers.

The Organisation should oversee and monitor compliance with this Code of Conduct and implement proportionate disciplinary action if it is breached.

The Organisation should maintain sufficient records and evidence to demonstrate its activities to ensure compliance with this Code of Conduct. This may include internal and external audits in relation to compliance with this Code by the Organisation and its personnel.

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## Appendix I

### Job Description – Chief Executive Officer – Delegated Authority

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#### 1. Generally

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The CEO is authorised and responsible for the management of the Organisation, its operations and its day to day affairs. The Board delegates authority to the CEO for:

- developing business plans, budgets and strategies for consideration by the Board and, to the extent approved by the Board, implementing these plans, budgets and strategies;
- ensuring the Organisation's operations and business are within the parameters set by the Board from time to time and that the Board is kept informed of material developments in the Organisation's operations and business;
- managing the financial affairs including:
  - signing contracts;
  - initiating orders for payment;
  - receiving or depositing money;
  - signing cheques; and
  - withdrawal of money from the Organisation's accounts.

All authorisations to expend funds or commit the Organisation to future payments in excess of \$[insert] must be made by two (2) signatories and records maintained for audit on proof of authorisation. The CEO has the responsibility to establish and enforce written procedures for all financial delegations;

- where proposed transactions, commitments or arrangements exceed the parameters set by the Board, referring the matter to the Board for its consideration and approval;
- identifying and managing operational and corporate risks and, where those risks could have a material impact on the Organisation's businesses, formulating strategies for managing these risks;
- managing the Organisation's financial and other reporting mechanisms and control and monitoring systems to ensure that these mechanisms and systems capture all relevant material information on a timely basis and are functioning effectively;
- ensuring that the Board is provided with sufficient relevant information on a timely basis in regard to the Organisation, its operations and the business, and in particular with respect to the Organisation's corporate performance, financial condition, operations and prospects, to inform and position the Board to fulfil its governance responsibilities; and
- implementing the policies, processes and codes of conduct approved by the Board, and monitoring, reviewing and reporting to the Board against those policies, processes and codes of conduct.

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## 22. Accountability to the Board

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Consistent with the above the CEO:

- reports to the Board on the status of policies, strategies, directions and plans (business and otherwise) set or approved by the Board;
- informs the Board of all events and circumstances within, or which reasonably should be within, the CEO's knowledge or awareness, which may or do have material impact on the Organisation's activities or well-being;
- observes limitations as set down by the Board; and
- regularly meets and consults with the Chair (as the lead representative of the Board) on all such matters.

## 23. Leadership

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(a) Generally

- provide a strong, clear leadership to the Organisation;
- ensure the Organisation's Code of Conduct/Values is a living document, regularly updated, monitored and communicated with ongoing training provided.

(vii) Internal Leadership

- provide direction, goals and energy to all parts of the Organisation;
- create and sustain a culture of innovation and enablement, underpinned by and expressing the values and philosophy of the Organisation.

(viii) External Leadership

- monitor and interpret the external environment in order to continually position the Organisation to best advantage;
- maintain awareness of political, governmental, business and industry components of the external environment, on a local, national and international level;
- participate in appropriate business and professional associations, networks and activities relevant to the Organisation's interests;
- ensure relationship building with stakeholders.

## 24. Management

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Provide overall management oversight and responsibility of the Organisation with particular responsibility in:

- the appointment and management of key executive and management personnel;
  - setting up, maintaining and reviewing structure, systems, policies, processes and procedures, in order to guide, support, inform, service and monitor the prime functions of the Organisation;
  - ensuring legal, ethical and professional practices and boundaries consistent with the Organisation's Code of Conduct/Values are adhered to;
-

- 
- ensuring financial activities are managed within agreed budgets and informing the Board in a timely manner should the CEO become aware of any material adverse movements to the budget;
  - ensuring effective and efficient functioning of the Organisation and all its parts.

## **25. Integrity**

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Overall and at all times, whether on Organisation business or personal time, personally behaving and conducting him/herself:

- consistent with the Organisation's Code of Conduct/Values;
- in such a manner so as not to bring the Organisation or any part or entity within the Organisation into disrepute or disrespect.

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## Appendix J

### Risk Management Policy

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1. It is the policy of the Organisation that all operations are conducted in a manner which ensures, as far as reasonably practicable:
  - the prospect of achievement of the goals and objectives of the Organisation (mission or purpose based, strategic and otherwise) for the benefit of the Organisation and its stakeholders is optimised;
  - performance of the Organisation (strategic, mission or purpose outcomes, commercial and otherwise) for the benefit of the Organisation and its stakeholders is optimised;
  - the health and safety of all employees, customers, visitors to the Organisation's sites and others who may be affected by the Organisation's operations are respected;
  - all applicable legislation and regulatory obligations are met;
  - assets and revenue generation capacity are protected against loss and damage;
  - the Organisation's reputation and image, and that of its personnel, are not disrespected or damaged; and
  - the community and environment are respected in the Organisation's operations.
2. This policy objective will be enhanced by implementation, throughout all parts of the Organisation, of an effective risk management program including the following:
  - monitoring of matters that may impede the goals, objectives and performance of the Organisation;
  - maintenance of a risk management framework (which covers strategic, operational and other enterprise risks) based on industry accepted standards;
  - maintenance of internal control systems in order to provide management with accurate, relevant, timely and reliable financial and operating information;
  - monitoring and resolving occupational, health safety issues throughout the Organisation;
  - conduct of operations and maintenance of records in accordance with Organisation policies and legislative requirements;
  - monitoring and reporting to the Board and its relevant Committee concerning risk management of significant circumstances and risk management issues which may affect the Organisation;
  - implementation of loss prevention and control measures directed at reducing, transferring or otherwise mitigating (within prudential risk assessed parameters) the potential for loss or damage;
  - management of insurance programs to allow the Organisation to acquire appropriate coverage at reasonable premium levels and on reasonable terms having regard to industry standards; and
  - design and implementation of effective business continuity and crisis management risk strategies.

- 
3. The Board is responsible for setting the Organisation's appetite for risk, overseeing the Organisation's risk management framework and satisfying itself that the framework is sound.
  4. Responsibility for risk identification and for establishing and maintaining effective risk management strategies and practices, in the context of and within the Organisation's appetite for risk set by the Board, rests with the CEO and senior management, accountable to the CEO and the relevant Committee of the Board with responsibility for such matters.
  5. The Organisation's risk management framework should be based on an appropriate industry accepted standard such as AS/NZS ISO 31000 2009 series (or similar) with such adaptation (as appropriate) having regard to the Organisation's particular needs.

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## Appendix K

### **Board Calendar (Strategic Governance Issues)**

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1. Strategy
    - plan development/adoption
    - monitor implementation progress
    - review plan
  
  2. Board /Committee/Director review and evaluation
    - composition/succession
    - evaluation of performance
    - remuneration (if any)
  
  3. Governance Charter
    - compliance
    - review/monitor
    - report by Committees
  
  4. Strategic Governance Issues
    - Audit Report
    - OH&S Report
    - HR Report
    - Environmental Report
    - Risk Management Report (including Insurances)
    - Legal Report
    - Diversity Report
  
  5. Budget
    - approval/adoption
    - review/monitor
  
  6. Performance review/monitor
    - strategy
    - operations
    - finances (revenue, expenses, capital requirements, budget, covenants, cash flow)
-

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7. Operational Issues

- Overall operations report
- Significant project reports
- Customer/supplier relations report
- Quality/complaints report
- IT report

8. Member Issues

- Member relations and engagement
- Member communications

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## Appendix L

### Contents of Directors' Letter of Appointment

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- Term of appointment.
- Time commitment envisaged (with an obligation on the Director to inform the Chair and the Governance Committee chair or anything with a significant time commitment attached with the potential to intrude upon the availability of the Director in the performance of his/her role).
- Powers and duties of directors.
- Any special duties, arrangements or expectations attaching to the appointment.
- Circumstances in which the office of Director becomes vacant.
- Expectations regarding involvement with Committee work.
- Remuneration and expenses (if and as applicable).
- Superannuation arrangements (if and as applicable).
- Requirement to disclose all existing interests, positions, associations, relationships and matters which might bear upon or affect the Director's independence and any material changes to that as disclosed.
- Evaluation and review expectations.
- Requirement to comply with governance policies including conflict of interest policy.
- Induction training and ongoing performance development arrangements.
- Access to independent professional advice and rights of access to information.
- Indemnity and D&O insurance arrangements (if and as applicable).
- Confidentiality obligations.
- A copy of the Organisation's Constitution and By-laws.
- A copy of the Organisation's Governance Charter.

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## Appendix M

### Board and Management Performance Enhancement Policy

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1. General Purpose and Principle

- (a) The Organisation is committed to the ongoing professional development of its directors, officers, executives and management personnel through a process of ongoing evaluation, education and improvement, with a view to enhancing Board and management performance and effectiveness for the benefit of the Organisation and its stakeholders.
- (b) This means that Directors and key executives should be equipped with the knowledge and information they need to discharge their responsibilities effectively, and that individual and collective performance is regularly and fairly reviewed.

2. Evaluation/Review

- (a) The performance of the Board, its Committees, individual Directors and key executives are to be evaluated and reviewed regularly against quantitative and/or qualitative indicators based on generally accepted sound governance practices and standards.
- (b) Attachments 2 and 3 set out protocols for such evaluations and reviews.

3. Induction

- (a) The Organisation will implement induction procedures designed to allow new Board appointees to gain knowledge about the Organisation and its operations so they may participate fully and actively in Board decision making at the earliest opportunity.
  - (ix) Such induction procedures may relate to and assist directors to gain a better understanding of:
    - the Organisation's financial, strategic, operational and risk management position;
    - their rights, duties and responsibilities;
    - the role of the Board Committees;
    - the Organisation's culture and values;
    - Board and Board Committee meeting arrangements; and
    - interaction with other Directors as well as senior executives and stakeholders.
  - (x) Similar induction processes may also be desirable for key executives.

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4. Professional Development

- (a) Directors and key executives should have access to continuing professional development opportunities to update and enhance their skills and knowledge.
- (b) This should include education and training concerning key developments in the Organisation and in the environment within which it operates, as well as developments in the regulatory environment and in governance practices.
- (c) The Organisation commits to developing a regime by which opportunities for the professional development of its Directors and key executives can be identified and made available.
- (d) The Organisation should provide allowance in its annual budget for this purpose.

5. Outline of Induction and Evaluation Procedures

- (a) Attachment 1 to this policy sets out the Organisation's standard induction procedure for new Directors and key executives.
- (b) Attachment 2 to this policy sets out the Organisation's standard process for Board, Committee and Director evaluation.
- (c) Attachment 3 to this policy sets out the Organisation's standard process for senior executive evaluation.
- (d) These standard procedures may be adapted as appropriate to meet the circumstances of each case.

6. Role of the Governance Committee

The Board's Governance Committee, in consultation with the Chair and the Secretary, is assigned primary responsibility for strategies and processes to be developed and implemented to achieve the general purpose and principle in this policy.

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# ATTACHMENT 1

## New Directors

### Standard Induction Procedures

This document sets out a procedure which can be used for the induction of new Directors. Similar steps (with such prudential adaptations as are appropriate having regard to confidentiality constraints and the role of the executive) should apply to key executives.

**Step 1:                    Assessment of skill and expertise of new Director**

Make a preliminary assessment of the knowledge, skill and experience of the person to ensure that the induction can be tailored appropriately to the circumstances of the person.

Ensure full CV, declarations provided by the Director, contact particulars and photo ID of the person is within Organisation records.

**Step 2:                    Induction Pack**

Provide the person with an induction pack including the following:

**Organisational**

- Organisation Constitution and By-laws;
- executive and management reporting organisational structure diagrams; and
- key Organisation policies eg. occupational health and safety

**Board**

- Governance Charter including:
  - Board and Board Committee charters;
  - all relevant Board policies, codes, and protocols;
- annual reports for the last three years;
- management accounts and management reports over last 3 months;
- current business plans, budget and strategic plan;
- copies of Board minutes and relevant Board Committee minutes over last 6 months (or thereabouts);
- copy of the last Board meeting package;
- copies of internal audit reports and the auditors' management letters addressing issues relating to internal controls and signing off the year end accounts, over last 12 months;
- copy of Organisation's risk management policy; and
- photo and brief bio of each Board member and key executives.

**Operations**

- information about the industry and an analysis of the areas in which the Organisation operates;

- 
- details of main customers, suppliers, bankers, consultants and competitors (as applicable);
  - details about the regulatory regime in which Organisation operates; and
  - details of main operations, assets and liabilities.

**Step 3: Management Presentations**

Senior management will give presentations to the person and include opportunities for questions to be asked.

**Step 4: Site Visits**

The person may undertake tours of the Organisation's main sites and facilities.

**Step 5: Ongoing access to information**

The person is to be made aware of whom he or she can contact for further information and what information is available.

Ensure person has addressed all HR and security requirements and is on the e-mail address list for any Board related information and media releases.

**Step 6: Further training**

Identify need for and arrange any specific further training which may be required.

Follow up with person after 1 month and after 6 (or such other appropriate number) months as to any other information/training or educational requirements desired.

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## **ATTACHMENT 2**

### **The Board, Committee and Directors - evaluation protocols**

#### **1. Principles**

The principles of the evaluation process are:

- integrity of process – actual and perceived;
- assessment to be independent of management;
- process designed to encourage open and constructive discussion;
- agreed and clear goals accepted by all participants;
- confidentiality of identity of each individual director assessment;
- transparency of the evaluation process to assure accountability;
- post evaluation debriefing assessment and follow up;
- evaluation to focus on demonstrable performance, in context of overall Organisation goals; and
- voluntary submission to evaluation by all relevant participants.

#### **2. Participants Evaluation Process**

##### **2.1 Selecting an evaluation process and criteria**

- (a) The Governance Committee, in consultation with the Chair, assumes responsibility for recommending to the Board the appropriate evaluation objectives and processes, including the methodology, who will facilitate it, and who will oversee it.
- (b) The Board decides if it accepts the recommendation or if it requires changes.
- (c) Utilisation of external facilitation under the oversight of the Chair can help bring professionalism, objectivity and confidentiality to the process.
- (d) Evaluation criteria should:
  - allow comparison with identifiable objective benchmarks where possible;
  - be relevant to the Organisation, the Board, the Committees, the Directors and their respective circumstances;
  - be relatively standardised to allow longitudinal analysis, unless circumstances otherwise require;
  - should be capable of reflecting the full scope of relevant endeavour and performance which is consistent with the Organisation's strategies and goals.

##### **2.2 Generally available types of evaluation processes**

- (a) Self-assessment is a common approach. Self-assessment allows ownership of and personal input into the evaluation process.
- (b) Peer review (360° feedback) can be a desirable addition to self-assessment, especially for the role of the Chair. Peer review gives objectivity.
- (c) Other models of evaluation (e.g. external consultant interviews) may be suitable depending on the circumstances and needs.

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## 2.3 Evaluation program

- (a) The cycle for the Organisation's evaluation and review process or program for its Board, Committees and individual Directors is 3 yearly.
- (b) Discrete elements of the evaluation program desirably may be undertaken each year in accordance with the following process:
- (i) Year 1 – overall governance review and evaluation PLUS individual Director discussions with Chair (as appropriate);
  - (ii) Year 2 – governance review and evaluation of Board Committees PLUS individual Director interviews with Chair;
  - (iii) Year 3 – Board dynamics review and evaluation PLUS individual Director interviews with external facilitator.

## 3. Process for individual directors

### 3.1 Process for Review Process

- Step 1** Each Director completes an agreed self-evaluation form using agreed ratings and evaluation criteria and passes same to Chair or external facilitator (as applicable).
- [Step 1A** (in case of peer review only) Other Directors provide feedback on the performance of the Director using the same agreed ratings and evaluation criteria and passes same to Chair or external facilitator (as applicable).]
- Step 2** A meeting is held between the Director and the Chair or external facilitator (as applicable) to discuss issues raised (including any material discrepancies between self-assessment rating and the peer review as applicable).
- Step 3** Chair or external facilitator reports back to Board on outcomes of the process (but having respect for the principle of confidentiality – refer paragraph 1 above).

### 3.2 Evaluation criteria for each Director

Includes:

- Governance: ability of Director to contribute to Board and Organisation's performance whilst adhering to principles of good governance.
- Leadership: ability of Director to inspire commitment to Organisation's vision and values.
- Strategy: ability of Director to analyse, evaluate and contribute to the Organisation's strategic plan and positioning.
- Industry knowledge: Director's experience in the industry in which the Organisation operates so as to give valuable insights as to the environment in which the Organisation operates.
- Commercial/business acumen: Director's ability to contribute to the increase in the prosperity of the Organisation and its stakeholders.
- Social Capital: Director's ability to contribute to and enhance the Organisation's social capital and standing.
- Special attributes: identification of any special skills or attributes.
- Teamwork/dynamics: ability of Director to interact constructively with fellow Board members and the senior executives in a manner that is consistent with achieving common business goals.

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### **3.3 Chair evaluation**

To the extent to which the role of the Chair is not evaluated in any overall governance review and evaluation tool being deployed, the Deputy Chair (if any) or senior/lead independent Director should take responsibility for evaluation and review of the Chair and the views of the other Directors should be canvassed.

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## **4. Process for Board Committees**

### **4.1 Review Process**

- Step 1** The members of each relevant Committee complete self-evaluation forms using agreed ratings and evaluation criteria and pass same to Chair or external facilitator (as appropriate).
- Step 2** The Chair or external facilitator (as appropriate) meets with the relevant Committee to constructively discuss the outcomes of the review and any agreed action arising.
- Step 3** A summary of outcomes for all Committees is reported to the Board by the Chair or external facilitator (as appropriate) for discussion and any action arising.

### **4.2 Evaluation criteria for committees**

Includes:

- Committee Charter: appropriateness of scope and content of Committee's remit.
- Committee Membership: appropriateness of balance and skill blend of Committee members.
- Procedure and practice: use of Committee time, adequacy of Committee papers, frequency of meetings, ability to access resources, ability to keep informed in relevant area, provision for continuing development, opportunity for Committee members to contribute constructively to committee to work in a conducive and open manner, and Committee member dynamics.
- Committee substantive output: objective criteria (based on the Committee's remit and terms of reference) to measure the performance output of the Committee.

## **5. Process for Overall Governance Review**

### **5.1 Review Process**

- Step 1** Each Director completes evaluation form using agreed ratings and evaluation criteria or external facilitator (as appropriate).
- Step 2** The results of the evaluation forms are analysed in accordance with the agreed methodology.
- Step 3** The outcome of the review is communicated to the Board by the Chair or external facilitator (as appropriate) for discussion and any action arising.

### **5.2 Evaluation criteria for Overall Governance Review**

Includes:

- Individual Director: The appropriateness of the competencies, skills, attributes and behaviours of each Director (and of the Chair).
- Board: How the individual Directors come together as a team, including Board and Committee structure and meetings, as well as Board deliberations and dynamics.
- Organisation: How governance is driven from the Board to management and the organisation including attributes of the CEO, and the organisation's strategy, risk and performance outcomes.

- 
- **Stakeholder:** How the organisation engages with, reports to and holds itself accountable to its Members, regulators and broader stakeholders, and the community of which it is a part.

The aim is to take an holistic view of the Company's governance across all areas of the Organisation.

## **6. Process for Board Dynamics Review**

### **6.1 Review process**

- Step 1** Each Director completes evaluation form using agreed ratings and evaluation criteria and passes same to Chair or external facilitator (as appropriate).
- Step 2** The results of the evaluation forms are analysed in accordance with the agreed methodology.
- Step 3** The outcome of the review is communicated to the Board by the Chair or external facilitator (as appropriate) for discussion and any action arising.

### **6.2 Evaluation criteria for Board Dynamics Review**

Academic research has identified good board dynamics as one of the most influential and important areas of governance leading to enhanced corporate performance outcomes. Criteria for evaluation include:

- the structure and means of the Board's deliberations and Board member inter-actions including:
  - team attributes
  - mutual trust
  - co-operation
  - challenge
- getting the task done
  - clarity of goals/purpose
  - skill mix
  - competence
  - reliance on others to perform
  - deliberations and decision making
- shared leadership
- team building
  - competencies
  - shared learnings
  - creativity and support

## **7. External Facilitation**

The Board should periodically consider external facilitators to assist and co-ordinate the review and evaluation process.

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## **8. Combination of Evaluation Processes**

The Company may make use of governance analysis tools that combine individual Director, Board, Board Committee and overall governance evaluations into a combined holistic evaluation and review.

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## ATTACHMENT 3

### Executive Performance Review and Evaluation Protocols

#### 1. Principles

The principles of the performance review and evaluation process include:

- continuous improvement;
- review and assessment of historical performance against:
  - job description and expectation;
  - key performance indicators set;
  - Organisation's code of conduct and ethical value base;
  - Organisation objectives;
- identification of:
  - any impediments to enhanced performance;
  - professional development and training opportunities to improve future performance;
- agreed initiatives arising from the review;
- setting of key performance indicators for the future to align expectations with the - Organisation's strategic objections;
- review of remuneration arrangements and adjustments as appropriate.

#### 2. Participants Review and Evaluation Process

- (a) **(Timing)** Reviews and evaluations should take place:
- (i) consistent with the executive's employment contract;
  - (ii) whenever considered appropriate by the Organisation in case of special need or concern;
  - (iii) at least annually.
- (b) **(Process)** Reviews and evaluation should include:
- (i) accepted HR industry standards for such reviews including the prospect of 360° feedback review processes as may be appropriate;
  - (ii) for the CEO, facilitated by the Board Chair (or Chair of Governance Committee) or an external facilitator;
  - (iii) for other senior executives, facilitated by the CEO (perhaps in conjunction with the HR manager) or an external facilitator;
  - (iv) provision of sufficient and appropriate information to both the reviewer and the reviewee to assist the integrity of the review and any performance benchmarking to be considered as part of the review;
  - (v) an agenda for the review including key issues to be discussed as part of the review;
  - (vi) sufficient advance notice of the review to be given to reviewer and reviewee to allow time for proper reflection and preparation;

- 
- (vii) the review itself being conducted in an open and transparent manner with a view to constructive criticism on areas for improvement and acknowledgement of areas of past achievement.
- (c) **(Recording)**
- (i) Notes prepared by the facilitator arising from the review, including agreed initiatives arising, key performance indicators for the future, and any variation to job description/scope or remuneration;
  - (ii) The notes also being given to the reviewee for acceptance as a fair record of the review.
  - (iii) Details of the review process and outcome being recorded in the Organisation's corporate HR records.

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## Appendix N

### Remuneration Policy

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#### 1. Generally

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- (a) The Organisation commits to a formal and transparent process for remunerating its people.
- (b) This includes developing a remuneration policy and fixing remuneration packages for senior executives with no senior executive deciding his or her own remuneration.
- (c) Within the context of the Organisation's community and charitable not for profit status, remuneration is to be market competitive, fair and equitable so as to attract, motivate and retain high quality candidates.

#### 26. Remuneration for non-executive Directors

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- (a) Having regard to the Organisation's community and charitable not for profit status, to date the Board has resolved not to offer remuneration to its Board members. However it is recognised that this approach may change in the future.
- (b) If a Board decision is taken for this approach to be reviewed, then in considering whether or not to award non-executive Director remuneration, and if so how much, the Governance Committee and the Board should have regard to all relevant factors including:
  - any constraints or approvals required in the terms of the Constitution;
  - market and peer benchmarking;
  - organisational performance generally;
  - member sentiment;
  - cashflow capacity;
  - board work load;
  - ensuring that incentives for non-executive Directors do not conflict with their obligations to bring an independent judgement to matters before the Board.

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- (c) The principles of any non-executive director remuneration policy should first be appropriately disclosed to and approved by the Members of the Organisation in general meeting.
  - (d) The current approach of not awarding remuneration to Board members does not prejudice a Board member's entitlement to reimbursement of out of pocket expenses properly incurred by that Board member on behalf of the Organisation.

## **27. Remuneration for Executive officers**

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- (a) In setting the level and composition of remuneration for executives the Company will balance its desire to attract, retain and motivate high quality personnel with the need to ensure that:
  - (iv) their remuneration incentivises them to pursue the goals and success of the Organisation (both over the short and longer terms) without taking undue risks;
  - (v) the Organisation is not paying excessive remuneration.
- (b) The structure of executive remuneration should be designed to create alignment of the interests of the executive with those of the Organisation.
- (c) Typically that may include a remuneration structure along the following lines:
  - (vi) base salary (including superannuation);
  - (vii) bonus arrangement – typically set so as not to exceed a percentage of base salary whether available in salary or in some non-financial award form (e.g. extra leave or paid attendance at relevant professional development courses or conference seminars) with its annual award being at the discretion of the Board (on the recommendation of the Governance Committee in consultation with the CEO) measured against the degree of satisfaction of certain key performance indicators (**KPIs**) set at the beginning of the annual period;
- (d) The Organisation's remuneration is specifically designed to encourage loyalty and longevity of employment as well as aligning the employee's interests with those of the Organisation and the creation of genuine long term sustainable value for the Organisation. Accordingly the following principles are to be incorporated into remuneration packages for the executives:
  - (viii) any unvested bonus arrangements lapsing on the departure of the executive from employment with the Organisation, other than at the discretion of the Board (in consultation with the CEO) if the departure is on "good leaver" basis or on compassionate grounds;
  - (ix) even if bonus remuneration has vested and been awarded, if the basis upon which the vesting or award has been made proves to be misfounded for any reason whatsoever (including without limitation material error or misstatements in the data relied upon by which the award was made), then the correct remuneration entitlement is to be determined and any difference promptly repaid or restored by the executive to the Organisation, or paid or awarded by the Organisation to the executive, as applicable.

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## Appendix O

### Diversity Policy

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#### 1. General Purpose and Principle

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**Note:** *in the context of this Policy and unless specifically mentioned otherwise, “Diversity” is not confined to diversity of gender and refers to people at all relevant levels within the Organisation (including Board, senior executive, management and otherwise) with a diverse blend of skills, experiences, perspectives, styles and attributes gained from life’s journey, including on account of their culture, gender, age or otherwise.*

- (a) The Organisation respects and values the competitive advantage of “diversity”, and the benefit of its integration throughout the Organisation, in order to enrich the Organisation’s perspective, improve corporate performance, increase shareholder value, and enhance the probability of achievement of the Organisation’s objectives **(Principle)**.
- (xi) This Principle will manifest itself in the following areas:
- (i) strategic and operational:
    - being attuned to diverse strategies to deliver the Organisation’s objectives;
    - being attuned to diverse corporate, business and market opportunities;
    - being attuned to diverse tactics and means to achieve those strategies and to take advantage of those opportunities.
  - (ii) management:
    - adding to, nurturing and developing the collective relevant skills, and diverse experience and attributes of personnel within the Organisation;
    - ensuring the Organisation’s culture and management systems are aligned with and promote the attainment of the Principle.
- (xii) The Organisation will develop strategies, initiatives and programs to promote the Principle, including the achievement of gender diversity with respect to the matters referred to in paragraph 1(b)(ii).
- (xiii) In particular, the Organisation will set measurable objectives, and targets or key performance indicators (KPIs), for the strategies, initiatives and programs to achieve gender diversity with respect to the matters referred to in paragraph 1(b)(ii).
- (xiv) The Organisation will implement the strategies, initiatives, programs and measurable objectives referred to in paragraphs 1(c) and (d).
- (xv) Management will monitor, review and report to the Board (including via the Governance Committee on the achievement of gender diversity with respect to the matters referred to in paragraph 1(b)(ii)) and the Organisation’s progress under this Policy.

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## **28. Responsibility for Policy**

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- (a) Although the Board through the Governance Committee retains ultimate accountability for this Policy, the Board has delegated responsibility for Policy implementation to the CEO.
  - (xvi) In turn the CEO has delegated to the Organisation Secretary responsibility for the administration of this Policy (including its reporting to the Board, or the Governance Committee as appropriate).

## **29. Measurable Objectives, Targets and Key Performance Indicators (KPIs) – Gender Diversity**

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With respect to gender diversity, management will:

- (a) develop, for approval by the Board (including on recommendation of the Governance Committee) as appropriate:
  - (i) measurable objectives concerning the strategies, initiatives and programs referred to in paragraph 1(c);
  - (ii) targets or key performance indicators (KPIs) to verify progress towards attainment of those measurable objectives.
- (xvii) measure performance against those targets and KPIs;
- (xviii) report from time to time the progress of the matters referred to in paragraphs 3(a) and (b);
- (xix) benchmark the Organisation's position on diversity and undertake gender pay equity audits to gain insights into the effectiveness of this diversity policy;
- (xx) if the Organisation alters its reasonable gender diversity objectives in any reporting in the terms of this Policy, it will explain that fact and indicate which set of objectives is being reported against.

## **30. Communication**

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The Organisation commits to the communication of this Policy within the Organisation and to its members and stakeholders, including via its web-site:

- (i) by way of transparency and accountability; and
- (ii) to better promote the prospects of attainment of the Principle.

## **31. Accountability**

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- (a) Reporting and accountability in the terms of this Policy will be a periodic item on the Board Agenda.
  - (xxi) At least annually the Governance Committee will report to the Board on progress towards attainment of the Principle with respect to the matters referred to in paragraph 1(b)(ii).

## **32. Addenda to this Policy**

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- (a) The following shall constitute addenda to this Policy as if set out in this Policy:
    - (i) approved strategies, initiatives and programs and measurable objectives referred to in paragraph 1(c); and
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- 
- (ii) approved measurable objectives, targets and KPIs referred to in paragraph 1(d);

as may apply from time to time.

- (xxii) Attachment 1 to this Appendix O sets out certain strategies, initiatives, programs, targets and objectives that are to apply.

### **33. Overriding Caveat**

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Nothing in this Policy shall be taken, interpreted or construed so as to endorse:

- (a) the principal criterion for selection and promotion of people to work within the Organisation being other than their overall relative prospect of adding value to the Organisation and enhancing the probability of achievement of the Organisation's objectives;
  - (xxiii) any discriminatory behaviour by or within the Organisation contrary to the law, or any applicable codes of conduct or behaviour for the Organisation and its personnel; and
  - (xxiv) any existing person within the Organisation in any way feeling threatened or prejudiced by this Policy in their career development or otherwise, merely because their diversity attributes at any time may be more, rather than less, common with others.

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**ATTACHMENT 1**  
**DIVERSITY**  
**- Strategies, Initiatives, Programs -**  
**- Measurable Objectives, Targets and KPI's -**

**1. Strategies, Initiatives and Programs (refer paragraph 1(c) of Diversity Policy)**

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- (a) At Board / Board Committee level:
- (i) Periodically review the Board / Director evaluation processes to ensure that:
    - diversity is embedded as a relevant attribute;
    - any skill / gap analysis matrix utilized includes due regard for the attribute of diversity; and
    - a clear statement exists as to the mix of skills and diversity that the Board is looking to achieve in membership of the Board.
  - (ii) When addressing Board and Committee succession planning, ensure that:
    - the Policy is respected;
    - efforts are made to identify prospective appointees who have diversity attributes; and
    - efforts are made for any short list of prospective appointees to at least include a gender diverse candidate.
  - (iii) When setting performance and remuneration KPIs for achievement by the CEO and the senior executive team under their employment contracts, the following should be considered within such KPIs:
    - the development of strategies, initiatives and programs towards the Principle; and
    - attainment of measurable objectives towards the Principle, including gender diversity.
- (xxv) At executive and management level:
- (i) Periodically review the Organisation's HR policies and processes to ensure that:
    - they are "inclusive" in nature and responsive to the Policy;
    - they do not expressly or implicitly operate in a manner contrary to the Policy;
    - equal opportunity status applies to all positions within the Organisation, except where there is legitimate cause in the best interests of the Organisation and its personnel, to warrant otherwise; and

- any incidents of exception referred to in the preceding paragraph are reported to the Organisation Secretary for rectification (and on-referral as appropriate) having regard to the Policy.
- (ii) Periodically review the Organisation’s physical environments and cultural practices to ensure that:
  - they are “inclusive” in nature and responsive to the Policy; and
  - they do not expressly or implicitly operate in a manner contrary to the Policy.
- (iii) Generally ensure in the Organisation’s recruitment practices that:
  - the Policy is respected;
  - efforts are taken to identify prospective appointees who have relevant diversity attributes;
  - efforts are made for any short list of prospective appointees to at least include a gender diverse candidate.
- (xxvi) Generally – Development Programs
  - (i) The Organisation commits to the career development of those of its loyal personnel who aspire to develop their skills and abilities to take on more senior and responsible roles within the Organisation on a long term basis.
  - (ii) A standing program will be developed by management under its HR function, with provisional budgetary funding approved from time to time, to achieve this objective.
  - (iii) A particular aim of this initiative is to improve the internal succession “pipeline” of personnel, especially gender diverse personnel, towards more senior and responsible roles within the Organisation.

### 34. Measurable Objectives, Targets and KPI’s (refer paragraph 3 of Diversity Policy)

(a) Initiatives and Programs

Initiatives/Program	By When
1.(a)(i)	Ongoing
1.(a)(ii)	Ongoing
1.(a)(iii)	Ongoing
1.(b)(i)	Ongoing
1.(b)(ii)	Ongoing
1.(b)(iii)	Ongoing
1.(c)(ii)	Ongoing

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(b) Specific Gender Diversity Targets

[(\*) Note: having regard to the Overriding Caveat in paragraph 7 of the Policy, and as applicable, any historically gender skewed “pipeline” of qualified and experienced personnel in the industry sector in which the Organisation operates, these targets should not be regarded as “hard”, and are subject to the Overriding Caveat]

	<b>Target</b>	<b>By When</b>
1.	At Board level: - at least one of the next 2 Board appointments desirably should be gender minority with appropriate skills and attributes.	When it is appropriate to expand or refresh the Board.
2.	At Executive level: - at least one of the next 2 executive appointments desirably should be gender minority with appropriate skills and attributes.	When it is appropriate to expand or refresh the executive team.

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## Appendix P

### **Communications with Members and other stakeholders**

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1. The Board will seek to ensure that the Organisation communicates openly with its Members and other stakeholders (subject to commercial and legal confidentiality restraints, including privacy laws) in a timely and effective manner, including by print and electronic communication means (as appropriate).
2. The Organisation will use the Organisation's website to provide information about the Organisation and to complement the official release of material information so as to enable broader access to information by Members and stakeholders.
3. Such communications will include:
  - (a) posting to the Organisation's website:
    - the full text of the last 3 years notices of Member meetings and explanatory material;
    - the last three years' media releases and at least the last three years financial statements;
    - the names, photographs and brief biographical information for each of its Chair, Board members, CEO and senior executives;
    - an overview of the Organisation's current business;
    - a description of how the Organisation is structured;
    - a summary of the Organisation's history;
    - a key events calendar including:
      - anticipated dates for the forthcoming year for significant events for members and stakeholders;
      - AGM date;
      - once known, the time, venue and other relevant details for the AGM;
    - contact details for enquiries from members, media and stakeholders;
  - (xxvii) use of email and social media to provide information updates to Members and stakeholders.
4. The Organisation's website is to have a "governance" launching page from where all relevant governance information can be accessed with an intuitive and easily located link to the page in the navigation menu on the website.
5. The Organisation's Member and stakeholder relations program is to be designed and is to be implemented to facilitate effective 2-way communications, including:
  - (a) by giving effect to the terms of this Policy;
    - (xxviii) to ensure reasonable accessibility of relevant Organisation personnel to engage with members, media and other relevant stakeholders to communicate information about the Organisation and to receive feedback;

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- (xxix) to allow Members, stakeholders and media to gain a greater understanding of the Organisation's operations, mission or purpose, governance and performance;
  - (xxx) to provide an opportunity for Members, stakeholders and others to express their views to the Organisation on matters of concern or interest to them, and for those views to be distilled and communicated to the relevant Organisation person, including the Board as appropriate.
6. Only those persons specifically authorised by the Board and/or the CEO have authority to speak on behalf of the Organisation.
  7. The Organisation gives the option to its Members to electronically receive communications from, and to electronically send communications to, the Organisation.
  8. Electronic communications from the Organisation are to:
    - (a) be formatted to be easily readable on a computer screen and other electronic devices commonly used for that purpose;
    - (xxxi) include a printer friendly option for those who wish to retain a hard copy of the communication.