

# Board Charter

## Purpose

This Charter sets out the objectives, responsibilities and framework for operation of the Board as established under the Constitution of Sunnyfield, which is a Public Company limited by guarantee. To the extent of any conflict between the terms of this Charter and the Constitution, the Constitution of Sunnyfield prevails.

## Interpretation

**ACNC** means Australian Charities and Not-for-profit Commission.

**ASIC** means Australian Securities & Investments Commission.

**Board** means the Board of Directors of Sunnyfield.

**CEO** means the Chief Executive Officer and is a paid employee of Sunnyfield.

**Committee** means a Board Committee of Sunnyfield which is comprised of members of the Board to which the Board delegates certain responsibilities and activities.

**Company** means Sunnyfield – ACN 000 415 127.

**Constitution** means the Constitution of Sunnyfield, as may be amended.

**Director** means the Directors of the Board from time to time.

**Sunnyfield** means Sunnyfield and its associated entities.

**Member** means a person admitted to membership of Sunnyfield as defined in the Constitution (as may be amended) from time to time.

## Role and function of the Board

The Board's primary role is the overall performance and corporate governance of Sunnyfield to ensure Sunnyfield achieves its mission of enriching the lives of people with disability.

## Objectives and Responsibilities of the Board

The Board has overall responsibility for Sunnyfield's performance and governance, which includes:

- Oversight of Sunnyfield's performance on delivering valued services to clients including to ensure to listen to clients' choices and needs.
- Oversight of the Company, including development and implementation of its framework of governance, culture, risk management, internal control, codes of conduct, laws, regulations and compliance which underpins the integrity of management information, financial reporting & accountability systems and foster high ethical standards.

- Oversight of its licensing requirements with the ACNC and NDIS and others to ensure business continuity.
- Establish the framework for promoting and upholding clients' rights, choices and safeguarding.
- Appoints the Directors (subject to shareholder approval at annual general meetings).
- Appoints and removes the Chief Executive Officer and determines the level of authority delegated to the Chief Executive Officer.
- Ratifies the appointment and, where appropriate, the removal of the Chief Financial Officer and the Company Secretary.
- Sets the Executive and Senior Leadership remuneration policy, approves the performance objectives and remuneration of the Chief Executive Officer and their direct reports.
- Monitors Executive and Senior Leadership performance and implementation of strategy, including
  - Reviews Board performance and succession planning.
  - Reviews Executive and Senior Leadership succession planning.
- Approves and monitors the annual budget, business plan, financial statements, financial policies and financial reporting, major capital expenditure, acquisitions and divestitures.
- Oversees compliance with laws and regulations which apply to Sunnyfield and its associated entities and their businesses.
- The Board will, on a regular basis, review performance of the organization against the Company's mission, vision, values, strategy and overall objectives.
- Appoints and monitors the independence of the Company's external auditors.
- Sets the risk appetite for the Company and monitors risk management and remediation.

## **Composition of the Board**

### **a) Structure**

Membership of the Board is reviewed by the Board from time to time having regard to the needs of the Company. The Company's Constitution provides for the Board to consist of between six (6) and no more than ten (10) Directors of which three (3) must be Members. At least two (2) Directors must reside in Australia and no Director shall be a paid employee of Sunnyfield.

When determining the optimal number of Directors, the Board has regard to the importance of maintaining the right mix of skills, professional experience and tenure on the Board, the expected future workload of Directors, Board succession planning, diversity and cost.

When a casual vacancy occurs, the Board undertakes a structured process for considering the general qualifications, specific skills, experience and diversity sought for a new Director and to identify suitable candidates.

Directors appointed to fill casual vacancies are formally nominated for election by members at the next annual general meeting.

### **b) Independence**

The Board must regularly assess the independence of each Director taking into consideration their declared interests and matters determined by the Board as appropriate to determine if the Director is independent of management and is free of any business or other relationships which could interfere with, or could be perceived to interfere with, the exercise of their independent judgement.

A Director will be regarded as an independent Director if that Director:

- is not, and has not within the last 3 years been a paid employee of Sunnyfield and/or its associated entities;
- is not a principal of a material professional advisor of Sunnyfield;
- is not, or has not in the prior 3 years been, a material supplier or customer of Sunnyfield or an Officer of a Company directly or indirectly associated with a material supplier or customer of Sunnyfield;
- has no material contractual relationship with Sunnyfield or any of its associated entities other than as a Director of Sunnyfield;
- has not been a Director of Sunnyfield for such a period that their independence from management and substantial holders is compromised;
- has no other interest or relationship that could interfere with the Director's independence and ability to act in the best interests of Sunnyfield and its associated entities and is independent of management.

### **Proceedings**

The full Board shall generally hold a minimum of six (6) scheduled meetings each year, plus any interim or extraordinary meetings at such other times as necessary to address any specific matters that may arise. Directors are expected to attend all meetings or seek leave of absence with approval from the Chairperson.

Any Director may convene a meeting of the Board or require the Company Secretary to convene a meeting of the Board. A quorum for a Board meeting consists of a minimum of not less than one half of the Directors from time to time (i.e. a minimum quorum of 3 to 5) and all meetings will be in accordance with the Company's Constitution.

Directors shall have access to the Chief Executive Officer, Chief Financial Officer and Company Secretary for the purpose of seeking information or asking questions. Directors are encouraged to challenge and hold management to account as required.

In the event a Director wishes to take professional advice as it pertains to the performance of their duties as a Director of Sunnyfield, the Director may do so at Sunnyfield's expense. However, the Director should first contact the Chairperson and

the Company Secretary who will, if required by the Director, assist in procuring the professional advice



## **Committees**

To assist in the execution of its responsibilities, the Board has established four standing Committees.

- Audit, Finance, Risk & Property
- Client Rights & Safeguarding; and
- Human Resources, Nominations and Remuneration

Each Committee shall operate in accordance with its respective Charter as has been approved by the Sunnyfield Board. The majority of members of each Committee must have skills, knowledge and expertise commensurate with the subject matter of the respective Committee. The Chairperson of each Committee shall be appointed in accordance with the requirements of the respective Committee's Charter. A Committee may appoint associates, who are not required to be a Member or a Director of Sunnyfield. All Directors may attend any meeting of a Committee. The Committee's Chairperson may invite the Chief Executive Officer and/or Chief Financial Officer to attend a Committee meeting as a non-voting advisor.

The Board may establish an Advisory Committee from time to time to deal with a special interest topic. An Advisory Committee may include non-Board members who have applicable skills, knowledge and expertise that is applicable to the Advisory Committee's activity. An Advisory Committee shall have its own Charter which has been approved by the Board.

The Board and Committees may meet with external advisors with, or in the absence of, management. A Committee may appoint an external advisor and/or consultant who shall have no capability to influence or make decisions that bind Sunnyfield and neither the Board and/or Committee is obliged to act in accordance with the external advisor and/or consultant's wishes.

## **Delegation**

The Board has delegated the day-to-day management of the business of Sunnyfield to management through the Chief Executive Officer subject to authority limits applicable to the Executive and Senior Leadership Team. The Board has, however reserved matters for the Board of a strategic, sensitive or extraordinary nature or which exceeds the thresholds set in the delegation of authority framework provided to management.

## **Reserved Matters**

The following matters (including changes to any such matters) require approval from the Board, except where they are expressly delegated by the Board to a Committee (refer to Committee Charters), the Chairperson, the Chief Executive Officer or another member of the Executive and/or Senior Leadership Team.

- a. Strategy, including:
  - Sunnyfield's overall strategic direction, key business and financial objectives, purpose and values policies.

- b. Performance:
  - Monitor the safety, growth and development of Sunnyfield employees
  - Monitor the consistent delivery of valued services to clients.
- c. Financial Controls, compliance and risk management:
  - Annual operating and capital expenditure budgets for Sunnyfield
  - Treasury policies including cash-flow management and indebtedness
  - Sunnyfield's annual financial statements and published reports
  - Establishment and review of the effectiveness of Sunnyfield's systems of internal control, governance and risk management processes
  - Matters impacting on compliance with statutory and regulatory obligations which, if not complied with, would have a material effect on the Company.
  - Any significant changes in accounting policies and delegation of authority framework.
- d. Capital Structure:
  - Changes to Sunnyfield's capital structure involving contributions by Members, reductions in capital and winding-up.
- e. Appointments and tenure,
  - Appointment to, and tenure on, the Board and the Chairpersons of the Board Committees
  - Appointment and tenure of the CEO and review of their performance
  - Appointment and removal of external auditors
  - Appointment and tenure of the Company Secretary, Chief Financial Officer and Executive/Senior Leadership Team.
- f. Delegation of Authority:
  - Changes to the charter or membership of any Committee of the Board
  - Changes to the authority of the CEO, Company Secretary, Chief Financial Officer, Executive/Senior Leadership Team
  - Any matters which exceed the authority delegated to the Company's management.
- g. Policies:
  - Policies which affect both Sunnyfield and the wellness of its clients as a whole
  - Policies of a corporate nature (but excludes policies and procedures that relate to Sunnyfield's operational management activities) which are published on Sunnyfield's website.
  - Codes of conduct

- Work, health, safety, complaints and client safeguarding policies
- Whistleblower and Modern Slavery policies
- Risk management and oversight policies
- Disclosure to Members and communication policies
- Any major new policies, or changes of policies, including service-delivery standards, marketing, human resources, financial, risk and operations.

h. Corporate Governance:

- Determining the independence of Directors
- Determining the remuneration of Directors including Committee and Chairperson fees (if any are provided for by the Constitution) plus approving out of pocket expenses and professional fees
- Determine remuneration policies for the organisation are aligned with Sunnyfield's purpose, values, strategic objectives and risk appetite
- Determine the process and performance evaluation of the Board, its Committees, non-executive Directors and the Chief Executive Officer
- Monitor and evaluate the desirable competencies of Directors plus range of skills and experiences of the directors
- Consider the Board, Executive and Senior Leadership succession plan
- Finalise and approve resolutions and related documentation to be laid before members in general meetings
- Monitor disclosure requirements and approve sensitive announcements and press releases in accordance with the Disclosure policy
- Monitor the development of a pervasive, adaptive, high performing and risk aware service culture.

### **Director Responsibilities**

Sunnyfield's Directors are required to act honestly, diligently, transparently and in the best interest of the Company's Members.

A Director who has a material personal interest in a matter that relates to Sunnyfield's affairs, or an interest that is inconsistent with or divergent from the interests of the Members must disclose that interest to the other Directors and must not participate in discussions at a meeting or vote on that matter unless permitted by the Corporations Act. Directors should inform the Company Secretary of any related party transactions.

A Director must immediately disclose to the Chairperson any event that may impact on the status of the Director as an Independent Director or otherwise reflect on their capacity to serve.

All Directors must observe the provisions of Sunnyfield's policies, including the requirements of any Disclosure Policy.

No Director may retain office for more than three years or until the third annual general meeting following the Director's appointment (whichever is longer). A retiring Director is eligible for reappointment.

A Director must disclose to the Chairperson a close personal relationship with any member of Sunnyfield's staff.

Directors must keep confidential all Board discussions, deliberations and decisions which have not been publicly disclosed. Confidential information disclosed to Directors in the course of exercising their duties remains the property of Sunnyfield.

### **Role of the Chairperson**

In addition to the Directors' responsibilities outlined above, the Chairperson is responsible for:

- leading the Board including facilitating the effective contribution of all Directors;
- chairing meetings of the Board and general meetings of Members;
- the efficient organisation and conduct of the Board's functions; and
- promoting a constructive relationship between the Board, the CEO and Management.

### **Role of the Company Secretary**

The Company Secretary is accountable to the Board, through the Chairperson, on all corporate governance matters including the proper functioning of the Board.

The Company Secretary is responsible for:

- Monitoring compliance with Board policy and procedures;
- coordinating the completion and despatch of the Board agendas and supporting papers in a timely fashion;
- in conjunction with the Chairperson and/or Committee Chairpersons, organising Board and/or Committee agendas and meetings and attendance of Directors at Board and Committee meetings;
- ensuring the business of the Board and Board Committees is accurately captured in the minutes of the relevant meetings and monitor a register of disclosure of interests of Directors;
- helping to organise and facilitate induction of, and professional development for, Directors;
- attending to matters approved by the Board for lodgment with ACNC and ASIC; and
- procuring legal and other professional services for the Board and its Committees in accordance with delegation limits as authorised by the CEO or Chairperson.

### **Role of Management**



Management, through delegation of authority to the CEO, is responsible for the day-to-day management of Sunnyfield, developing and implementing Sunnyfield's strategy and instilling and reinforcing its values and code of conduct. Management is also responsible for managing to the budget and risk appetite that is set by the Board.

Management should supply the Board with accurate, timely and clear information on the entity's operations, including in relation to financial, legal, compliance, regulatory, security and organisation culture to enable the Board to perform its responsibilities.

The responsibilities of the CEO and Chief Financial Officer are stated in agreed written job descriptions. The CEO and Chief Financial Officer shall attend the Board's meetings at invitation of the Chairperson.

The CEO and Chief Financial Officer must ensure that Sunnyfield's financial reports present a true and fair view of Sunnyfield's financial condition and operational results and are in accordance with the relevant accounting standards. On presentation of financial reports for approval by the Board the CEO and Chief Financial Officer should state in writing to the Board that:

- the financial statements present a true and fair view of Sunnyfield's financial condition and operational results are in accordance with the relevant accounting standards;
- the statement given in relation to the integrity of the financial statements is founded on a system of risk management and internal compliance and control which implements the policies adopted by the Board; and
- Sunnyfield's risk management and internal compliance and control system is operating efficiently and effectively in all material aspects in relation to financial reporting.