



**annecto Inc.**

**CORPORATE GOVERNANCE MANUAL**

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Approved by Resolution of the Board

5 June 2018

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## **CORPORATE GOVERNANCE MANUAL**

### **PART 1**

#### **INTRODUCTION**

##### **1 Incorporation**

annecto Inc. (trading as annecto – the people network and annecto – connecting you to the right people) is incorporated under the Associations Incorporations Act 1981 (Victoria) and is registered with ASIC as a National Body and with the ACNC and ATO as a charity with DGR status.

Legislation with respect to Incorporated Associations was updated in 2012 with the passing of the Incorporated Associations Reform Act (Vic) (the Act). New model rules accompanying the legislation were produced and the Act required either adoption of the model rules or the adoption of organisation specific rules approved by both the members of an organisation and Corporate Affairs Victoria.

To accommodate the new legislative requirements, annecto amended its rules and adopted new rules, referred to as the Constitution, at a meeting of members on 17 February 2015.

##### **2 Powers of the Association**

The authority and powers that enable annecto to act as an incorporated association have been granted by legislation and further defined in its Constitution and Regulations.

Section 29 of the Act state that, as a body corporate, an incorporated association has all the powers available to a company incorporated under the Companies Act 2001 and section 30 of the Act provides that an association, subject to its rules (Constitution) may do anything that is incidental or conducive to the attainment of the purpose and the exercise of the powers of the association.

##### **3 Constitution**

Under its Constitution annecto is given the power, subject to the Act, to do all things incidental or conducive to achieve its purpose. The purpose of annecto expressed in the Constitution is to connect individuals and communities to realise an inclusive society by relieving poverty, sickness and the needs of the aged by assisting –

- People with disabilities, and
- Other people who are significantly disadvantaged.

Part 5 of the Constitution provides that the business of the Association must be managed by or under the direction of the Board, and further states that the Board may exercise all the powers of the Association except those required to be exercised by the members in general meeting.

To enable the Board to carry out its function within its powers and in a way that is both measured and responsible, the directors have established a best practice corporate governance framework which is encapsulated in this Governance Manual.



## CORPORATE GOVERNANCE MANUAL

### PART 2

### REGULATIONS

These Regulations are made pursuant to Rule 74 of the Association's Constitution.

#### **1 Introduction**

These Regulations form a part of annecto's Board approved governance framework and should be read in conjunction with the Association's Constitution, the other Parts which comprise this Governance Manual and, where required or appropriate, the Associations Incorporation Reform Act 2012 (Vic) and the various approved policies and procedures of the Association contained in the Quality Management System.

The Regulations have been prepared to assist the Board in its task of managing the affairs of the Association. It is expected that many of the procedures contained in these Regulations will be amended from time to time by resolution of the Board, to ensure the efficient operation of the Association and to meet the changing needs and expectations of our stakeholders.

#### **2 PURPOSE**

The purpose of annecto is to connect individuals and communities to realise an inclusive society by relieving poverty, sickness and the needs of the aged by assisting

- a) people with disabilities, and
- b) other people who are significantly disadvantaged.

#### **3 MISSION STATEMENT**

annecto will work to carry out its purpose in accordance with the current mission statement approved by the Board from time to time and contained in Schedule 2 to these Regulations.

#### **4 DEFINITIONS**

In these Regulations unless otherwise provided or unless there is something in the subject matter or context which is inconsistent, the following expressions shall have the definitions or meanings provided below -

"Board" means the Board of Directors of annecto;

"Board Committee" means a committee established by the Board to act in accordance with its Board approved charter;

"Body" means a firm, a body corporate, an unincorporated association or other such organisation or an authority;

"Regulations" and "Regulation" means these administrative rules to be used in conjunction with the Constitution for managing the affairs of the Association made by the Board pursuant to Rule 74 of the Constitution;

"Constitution" means the Constitution of annecto inc. and "Rule" means a rule in the Constitution;

"Corporate Member" means a body corporate (including a company and an incorporates association) that has sought and been granted membership status of annecto;

"Corporate Representative" means an employee of a Corporate Member as recorded in the annecto Register of Members for the specific purpose of representing a designated Corporate Representative in accordance with Rules 34(2) and 34(3)(a);

"Vice President" – an office holder of the board appointed in accordance with Rule 44(2) of the Constitution;

"Director" means a person elected or appointed to the Board;

"Law" means the Associations Incorporation Reform Act 2012 or legislation, as appropriate in the context;

"Member" means any person or organisation admitted as a member of the Association in accordance with the Constitution and these Regulations;

"Person" means a natural person;

"President" means the person appointed as President in accordance with Rule 44(2) of the Constitution;

"Seal" means the common seal of annecto;

"Secretary" means any person appointed to perform the duties of a secretary of the association, in accordance with the Law;

"Member" means those corporate entities and persons admitted to membership of annecto and recorded in the Register of Members;

Words used in these Regulations which are defined in the Constitution have the meaning as defined therein.

## **5 INTERPRETATION**

If a Regulation listed in this document is inconsistent with a Rule in the Constitution, then the Rule will prevail. If any doubt arises as to the interpretation of any Regulation, the decision of the Board shall be binding, provided it is recorded in the minutes of a Board meeting.

## **6 SUPPORTING DELEGATIONS, POLICIES AND PROCEDURES**

- 6.1 The Board will ensure that annecto maintains a Quality Management System that enables annecto to meet all standards, legislative and regulatory requirements relevant to annecto's operations, that regular external audits are conducted by a suitable accredited body, and that the Board receive reports of these audit findings.

Policies and governance documents which require Board endorsement are:

- Corporate Governance Manual
  - Matters reserved for the Board
    - Board operating policies and procedures
    - Delegations to a member of the Board, a Board committee and the CEO
  - Service Management Policy in QMS
- 

6.2 For purposes of transparency, the Board may approve posting of any of the Association's governance documentation on the annecto website.

## 7 GOVERNANCE

### Board Composition

- 7.1 Unless otherwise determined by the Members in general meeting, or by the Board pursuant to Rule 44(3) of the Constitution and Regulation 7.2, the Board shall be comprised of up to 10 elected members and two co-opted members appointed by the Board.
- 7.2 Unless otherwise determined by the Members in general meeting (by amendment to the Constitution), the CEO and Secretary shall not be eligible for membership of the Board.
- 7.3 The Board may from time to time determine the number of positions comprising the Board (not exceeding the maximum of 12) but shall only ever reduce the number by board positions that are unfilled at the time of the reduction.
- NOTE: This provision cannot be used to remove a Board member while in office.
- 7.4 Only Members who are eligible in accordance with Rule 49(1) of the Constitution may hold and retain a Board position.
- 7.5 Co-opted members of the Board –
- (a) must:
    - (i) be or immediately become a member of the Association; and
    - (ii) not be an employee of the Association; and
    - (iii) retire at the end of the next annual general meeting after they were appointed.
  - (b) may stand for election by the members or be co-opted by the Board for a further term or terms provided they continue to meet the requirements of 5.2(a).
- 7.6 The Board may from time to time determine the desirable attributes of and procedures for the appointment of co-opted members to the Board.
- 7.7 A director may resign in writing signed by that person and delivered (by letter, fax or email) to the Chairman or the Secretary.
- 7.8 A Director's position is vacated if he or she -
- (a) ceases to be a member of the Association; or
  - (b) fails to attend 3 consecutive Board meetings (other than special or urgent Board meetings) without leave of absence under rule 68; or
  - (c) is no longer entitled to vote at a general meeting; or
  - (d) otherwise ceases to be a Board member by operation of section 78 of the Act; or
  - (e) becomes an employee of the Association.

## 8 NOMINATIONS

- 8.1 Prior to an annual general meeting the President or Secretary, on behalf of the President, shall advise members -
- (a) the number of elected Board positions which are available to be filled at the meeting,
  - (b) the period during which nominations for those positions may be received, and
  - (c) the requirements to be met for nominations to be accepted.
- 8.2 To be considered, nominations for Board appointments must -
- (a) nominate a natural person, other than an employee, over the age of 18 who is a Member entitled to vote,
  - (b) be signed by the Member being nominated and, if applicable, by the person nominating the Member,
  - (c) be accompanied by a statement of no more than 500 words setting out the relevant qualifications and experience of the nominated Member,
  - (d) include a minimum of two referees who may be contacted, and
  - (e) be received by the Secretary at least 28 days prior to the relevant annual general meeting.
- 8.3 In considering each nomination the Board, or a working party established by the Board, shall take into account -
- (a) whether all necessary criteria for the nomination have been met,
  - (b) any skills gaps in the Board, either pre-existing or created by the retiring Board members,
  - (c) any particular skills or experience that would benefit the Board and the Association, including previous experience in organisational work from either private business or community activities,
  - (d) actual or potential conflicts of interest,
  - (e) commitment to annecto's purpose, principles and values and an ability to understand a wide scope of community issues, including requirements and objectives of governing not for profit bodies,
  - (f) the results of any checking procedures required by the Board (eg. police check),
  - (g) the feedback from referees provided by the nominated individuals,
  - (h) the good standing of the person nominated, and in particular whether there has been any breach of the agreement in Rule 8 of the Constitution that the member will not do anything that is or may be detrimental to the Association,
  - (i) associated issues such as age, cultural background and gender balance,
  - (j) presence of desirable attributes such as -
    - involvement with research or tertiary education,
    - governance and management experience in the not for profit sector,
    - advocacy and networking skills
- and such others as the Board may agree.
- 8.4 Persons nominating for the Board shall be interviewed by the Board or alternatively by a working party established by the Board which will make a recommendation to the full Board for consideration or acceptance or rejection of the nominations received.
- 8.5 Based on the consideration given by the Board in terms of Regulation 8.3, the Board may, in its absolute discretion, approve or reject a nomination and will require the Secretary to -

- (a) advise each nominated candidate whether their nomination has been accepted or rejected, and
- (b) commence proceedings to put the approved candidates forward to the membership for election at the annual general meeting.

8.6 If the number of eligible nominations is more than the number of positions to be elected, an election must be held at the AGM, in accordance with procedures set out in the Constitution.

## **9 DIRECTOR TERM OF OFFICE**

- 9.1 Directors are elected to fill a three year term of office. An elected Director, if eligible, may seek re-election for a maximum of two further three-year terms, making nine consecutive years the maximum available period as a Director.
- 9.2 Co-opted members must retire at the Annual General meeting next following their appointment but may be re-appointed subject to the maximum consecutive years (9) not being exceeded.
- 9.3 The Board may appoint an eligible Member to a Board position vacated by an elected Member. Notwithstanding Regulation 8.1, the Member so appointed must retire at the next annual general meeting but may stand for re-election to the vacated position only for the unexpired term of the position vacated.
- 9.4 If a Director appointed to fill an elected Director casual vacancy does not nominate for election to fill the remaining term of the original position vacated, the Board may -
- a) determine to reduce the number of Board positions in accordance with Rule 44(3) of the Constitution, with the result that the Board position is no longer available to be filled, or
  - b) declare that the original vacated Board position may be filled for the unexpired term of that position by election at the annual general meeting, or
  - c) proceed in the manner established by Regulation 8.1 to fill the vacated position.
- 9.5 At each annual general meeting, one third of Board members (rounded down if current board positions are not divisible by three) and each appointed (co-opted) member shall vacate their positions and those eligible may stand for re-election or subsequent re-appointment in accordance with the Rules.
- 9.6 In addition to any casual vacancy filled during the previous year, elected Board members vacating the requisite number of positions shall be determined in the following order until the required number has been reached -
- a) members whose total term on the Board is or has exceeded nine years,
  - b) members whose total term on the Board is or has exceeded six years,
  - c) members whose total term on the Board is or has exceeded three years,
  - d) members who have served the longest, but not yet reached three years since their last appointment.

If there is more than one member with identical time in office, the order of precedence shall be determined by agreement or, failing agreement, by lot.

## **10 OFFICE BEARERS**

- 10.1 The Board shall appoint office bearers as provided for in Rule 44(2) of the Constitution.
- 10.2 If such appointments cannot be made by open agreement, a secret ballot shall take place, with each director voting for a President, Vice President and Treasurer. The

individuals with the most votes for each position will be appointed to that position. The Secretary shall be the returning officer.

- 10.3 The role of an office bearer is described further in Rules 46, 47 and 48 of the Constitution and in the Board Charter.
- 10.4 The Vice President shall preside at meetings and conduct official functions and events at which the President, for whatever reason, is not present.
- 10.5 Office bearers are appointed for a one year term but may be re-appointed.

## **11 DUTIES OF THE BOARD**

- 11.1 The general duties of the Board are contained in Rule 45 of the Constitution and supplemented by the Board Charter.

## **12 BOARD MEETINGS**

- 12.1 The Board must meet in person at least four times in each calendar year, one of which shall be held as soon as practicable after the annual general meeting, with the remainder at times and venues selected by the Board.
- 12.2 Additional meetings may be called by the President or the CEO or by any two directors acting jointly and upon at least five days prior notice.
- 12.3 Board meetings may also be conducted in whole or in part by use of videoconferencing or teleconferencing facilities and Directors attending by either means will be counted in the quorum for the meeting. In the case of attendance by teleconference, Directors departing prior to the conclusion of a meeting must advise the Chairman prior to departure as this may affect the quorum.
- 12.4 Reasonable costs of attending Board meetings and Board Committee meetings will be reimbursed to Directors in accordance with any applicable reimbursement policy. Reimbursement requests, together with any receipts, must be made through the Secretary.
- 12.5 The quorum for a meeting of Directors is a majority of Directors provided there is present any one of the President, Vice president or Treasurer.
- 12.6 Motions are passed by a majority of votes, and the Chairman does not have a casting vote in the event voting is tied. In such cases the motion fails.
- 12.7 Board members may not appoint an alternate or a proxy to attend a meeting in their stead, or pass their voting entitlement to another Director who is attending the Board meeting.
- 12.8 The Board shall ensure that -
  - (a) minutes are taken for all Board meetings
  - (b) decisions of the Board are recorded in the minutes
  - (c) a register is maintained of affixing of the Common Seal
  - (d) a register is maintained of all major contracts (as determined by the Board) entered into by annecto Inc. and
  - (e) all corporate records are retained for a period of at least seven (7) years.

## **13 BOARD COMMITTEES**



- 13.1 The Board may establish committees of the Board for a single purpose or for multiple purposes.
- 13.2 Board Committees shall conduct their operations in accordance with the Association's Board Committee Policy, which may be updated and amended by the Board at its discretion.
- 13.3 Unless otherwise determined by the Board when creating a Board Committee, such committees shall not have any delegated powers and shall act in an advisory capacity only, and shall report to the Board as required by their respective charters contained in Schedules to the Board Committee Policy.
- 13.4 Board Committees may be comprised exclusively of Board members, Members, representatives of Corporate Members or non-members of the Association, or any combination of these as the Board may determine.
- 13.5 Committee members may not appoint an alternate or a proxy to attend a meeting in their stead, or pass their voting entitlement to another member who is attending the meeting.
- 13.6 The Chairman does not have a casting vote, in the event of an equality of votes, the issue being considered shall fail.

#### **14 CONFLICT OF INTEREST**

- 14.1 Directors must declare material personal conflicts of interest as and when they arise, or as part of a standing notice made, for example, upon becoming a Director or at set time intervals, such as at the start of each financial year.
- 14.2 The standing notice should record details of:
- the nature and extent of the interest
  - if applicable, the date upon which the interest arose, and
  - how the interest relates, or may relate, to the affairs of the Association.
- 14.3 Conflicts of interest, including standing notices, declared by Directors must be tabled at Board meetings and recorded in the minutes of the meeting.
- 14.4 The materiality of an interest will depend on the circumstances of each case and it will be a matter of judgment for the Director, to be determined having regard both to what is material to the Association and what is material to the Director.
- 14.5 Where a conflict of interest exists, 'material' can be interpreted to mean the matter has 'a capacity to influence the vote of a particular Director on the decision to be made'.
- 14.6 The material personal interest need not give rise to an immediate conflict of interest at the point in time it is disclosed.
- 14.7 In accordance with Rule 65(2) of the Constitution, The Director declaring an interest in a matter must not -
- (a) be present at a meeting where the matter is being considered, or
  - (b) vote on the matter.

## **15 DIRECTOR INDUCTION**

Newly appointed directors will be provided with an extensive induction kit including, but not limited to, the following –

- Minutes of the last 6 months Board & Board Committee meetings
- Annual Report
- Governance Manual
- Organisation structure
- Strategic plan and business plan
- Board & Committee meeting schedules

and will be invited to participate in site tours and staff introductions.

## **16 SELF ASSESSMENT**

- 16.1 The Board will undertake an annual performance evaluation of itself which is conducted in such a manner as the Board deems appropriate but shall include an external review at least every two years.
- 16.2 In conducting a review, the performance of the Board in relation to the requirements of the Act, the Constitution, the Regulations and this Governance Manual shall be taken into account.
- 16.3 Any improvements to Board procedures or Director performance deemed necessary or desirable as a result of such assessment shall be introduced or attended to by the President.

## **17 USE OF THE COMMON SEAL**

The Common Seal of the Association shall be affixed to documents requiring the seal or in circumstances required by or agreed by the Board and witnesses to the application of the seal shall be listed in Part 3 Delegations Manual.

## **18 MEMBERS**

Eligibility for Membership, Subscriptions and Categories of Membership

- 18.1 Any person who or corporation that supports the purposes of the Association and agrees not to do anything that is or may be detrimental to the Association is eligible for membership. The current categories of membership are –
- Member
  - Corporate Member
  - Life member (conferred by the Board)
  - Perpetual member (no longer open; equivalent to Life member.)
- 18.2 Membership in any category is not transferrable.
- 18.3 The application form for membership shall contain a provision that states that the applicant agrees for itself and for any of its appointed representatives to be bound and comply with:
- The Constitution
  - The Regulations
  - Policies and directions of the Directors or the CEO
  - Any amendment or alteration of the above made from time to time

- 18.4 The Board, or its delegate, shall consider in accordance with Rule 10 of the Constitution applications for membership submitted under Rule 9 of the Constitution on the approved form contained in Schedule 1. Until the Board otherwise resolves, the CEO is appointed the delegate of the Board for this purpose.
- 18.5 Member applications shall be accepted or rejected by resolution of the Board and those members accepted shall be recorded in the Register of Members by the Secretary in accordance with Rule 11 of the Constitution.
- 18.6 The Board may resolve to apply a joining fee and annual subscription applicable to each category of member and set a date by which annual subscriptions must be paid (see Rule 12 of the Constitution).
- 18.7 The Board may take disciplinary action against a Member in accordance with Division 2 of the Constitution and as a result may -
- Reprimand a member
  - Suspend a member for a specified period, or
  - Expel the member from the Association.
- 18.8 It is the member's responsibility to inform the Association of any changes to their details. On being so advised, details in the Register of Members shall be amended.
- 18.9 All communication with members and all notices required to be sent to members may be sent to the email address provided by the member and recorded in the Register of Members.
- 18.10 Members who have not provided an email address shall be sent communications and notices to their postal address recorded in the Register of Members.

## **19 CORPORATE MEMBERS**

- 19.1 Corporate Members must appoint a representative who shall act for and on behalf of the Corporate Member with respect to all its dealings with the Association.
- 19.2 The application form for Corporate Membership shall include an appointment of the corporate representative, should membership be approved.
- 19.3 The initial appointment of a representative will be a standing appointment, which may be changed from time to time by written notification by the Corporate Member to the Secretary, or made in advance of a general meeting in accordance with Rule 34 of the Constitution.
- 19.4 The Board may from time to time determine the requirements that must be met before a Corporate Member application will be considered.
- 19.5 The Board may resolve to create grades of membership within the category of Corporate Member with separately applicable benefits, entitlements and membership fees.

## **20 LIFE MEMBERS**

- 20.1 The Board may grant the status of Life Member to a Member who has rendered outstanding services over a long period of years in furthering the aims and objectives of the Association.
- 20.2 The Board shall agree a procedure for identifying, considering and appointing a Life Member and any additional benefits attributable to life membership.
- 20.3 A Life Member shall have the same rights as other members and shall not be required to pay any membership fees.

20.4 Life Membership ceases on the death of the Life Member.

## **21 PERPETUAL MEMBERS**

21.1 The Board may determine an appropriate form of acknowledgement of a past member or members who have rendered outstanding services over a long period of years in furthering the aims and objectives of the Association.

21.2 Current Perpetual Members shall have the same rights as a Life Member and shall not be required to pay membership fees.

21.3 Perpetual membership ceases on the death of the Perpetual member.

21.4 Perpetual Membership is no longer available; no further appointments will be made.

## **22 MEMBER SUBSCRIPTIONS**

22.1 Member subscriptions and the joining fee shall be reviewed by the Board each year and in setting such fees and subscriptions in accordance with Rule 12 of the Constitution the Board shall take into account any recommendation made by the CEO.

22.2 The recommendation of the CEO may include that no increase be made to the (then) current annual subscription and that no joining fee be imposed on new members.

22.3 New members joining during a year shall pay a pro-rated membership fee.

22.4 If membership subscriptions remain unpaid for twelve months after their due date, the Member shall cease to be a Member and the secretary shall remove their name from the Register of Members.

22.5 a) All member privileges (including the right to vote and receive publications) shall be suspended for those members who have not paid their annual membership subscriptions by the date set by the Board for the payment of those subscriptions (the due date).

b) Members shall have a payment period of grace of twelve calendar months from the due date, for payment of their annual subscriptions. If payment is made during the period of grace, membership rights and entitlements will be restored (in accordance with Rule 12(4) of the Constitution) following payment without any requirement to re-apply for membership.

22.6 A member whose membership ceases under Regulation 22.4 may re-apply for membership as if that person was a new applicant for membership.

22.7 Regulations 22.4, 22.5 and 22.6 shall only apply to member categories required to pay annual subscriptions.

22.8 Members appointed as Life or Perpetual Members shall not be entitled to a refund of any portion of their annual subscription should their elevation to those categories occur during rather than at the end of a subscription period.

## **23 NEW MEMBER CATEGORIES**

- 23.1 The Board may consider the creation of new categories of membership, together with defined rights and membership fees, at any time.
- 23.2 All new membership categories must first be approved by the members in general meeting, with such approval being in the form of a special resolution.
- 23.3 The special resolution required by Rule 14.5 of the Constitution shall include -
  - The name of the new category
  - The rights attaching to the new category
  - The fees (joining and subscription) if any, that apply to the new category
  - Eligibility requirements for application

## 24 GENERAL MEETINGS

### Holding a General meeting

- 24.1 The Board must convene an annual general meeting of the Association to be held within 4 months after the end of each financial year.
- 24.2 At general meetings of the Association, only eligible Members may vote on any resolution put to the meeting. Members are eligible to vote only if –
  - they are financial members
  - their membership category carries an entitlement to vote
  - the requirements of Rule 13(2) of the Constitution are met.

With respect to Corporate Members, other than by completing a voting form using the company seal, only the appointed representative of a Corporate Member listed in the Register of Members may vote for the Corporate Member. If not under seal the voting form, to be valid, must be accompanied by a copy of a resolution of the board of the Corporate Member specifying the manner of voting.

- 24.3 Changes to the annecto Constitution require a special resolution of members passed by a 75% majority of those voting at the meeting where the special resolution is put.
- 24.4 The procedure for a change to the Constitution in accordance with Rule 81 is as follows -
  - (a) The Board shall approve the revised draft or proposed amendment;
  - (b) The proposed changes will be posted on the website with an explanation of the changes and why they are being proposed;
  - (c) Members may be invited to comment for a period of 1 month;
  - (d) Any member responses will be considered by the Board
  - (e) The final Board approved version shall be recommended to members for approval at a general meeting;
  - (f) The Board may determine to vote the changes individually or collectively;
  - (g) Member approved changes will be notified to Consumer Affairs Victoria;
  - (h) The new constitution will replace the older version on the annecto website.
- 24.5 The procedure for a change to these Regulations is as follows -
  - (a) The Board shall approve the revised draft or proposed amendment;
  - (b) The proposed changes will be posted on the website with an explanation of the changes and why they are being proposed;
  - (c) Members may be invited to comment for a period of 1 month;
  - (d) Any member responses will be considered by the Board;

- (e) An absolute majority of the Board is required to approve changes to the Regulations, and
- (f) the final Board approved version or a summary thereof may be posted on the annecto website or otherwise made available to Members (for example, by inspection at the annecto office) and members will be advised accordingly.

## **OPERATIONAL ISSUES**

- 25 To carry out the business of the Association the Board has delegated certain of its powers to officers of annecto. The operative document is the Board approved Delegations Manual in Part X of this Governance Manual.
- 26 The Board may determine that certain matters will be reserved for decision by the Board alone. These matters reserved for Board may be determined from time to time by resolution of the Board and can be found in the Board Policy Document – Matters Reserved for Board in Part 6 of this Governance Manual.
- 27 Financial Matters
  - 27.1 The Board may determine, in its absolute discretion, to whom any or all of its powers relating to financial and operational matters may be delegated. The current approved list of delegations will be listed in a Delegations Manual in Part 4 of this Governance Manual.
  - 27.2 The Board may further decide to impose any restrictions or other requirements accompanying an approved delegation.
  - 27.3 Financial policies and procedures are detailed in the Quality Management System.
  - 27.4 Board approved delegations may be amended at any time at the Board's discretion and reflected in the Delegations Manual.
- 28 All contracts requiring the application of the corporate seal of annecto shall require approval of the Board.
- 29 A register of contracts shall be maintained by the Secretary.
- 30 Insurance
  - 30.1 The Board shall ensure that insurance covering the activities of the Association includes the following -
    - Public Liability Insurance;
    - Directors and Officers Liability Insurance including professional indemnity for the Association;
    - Damage to property and personal injury;
    - Worker's Compensation insurance as required by law;
    - Contents insurance to cover the assets of the Institute; and
    - Travel policy to protect directors and officers of the Association travelling on the Association's business.
- 31 Reimbursement of expenses
  - 31.1 Directors shall be reimbursed, on application and provision of receipts, for their reasonable expenses incurred while acting for or representing annecto, including expenses to attend meetings, events and advocacy opportunities.

31.2 Approval of reimbursement payments to Directors will be made by the President and approval of payments to the President shall be made by the Vice President.

### SCHEDULE 1

## Application for membership of annecto Inc.

(Rule 9 of the Constitution)



I wish to become a member of annecto Inc.

Name: \_\_\_\_\_ #

Address: \_\_\_\_\_

Telephone: \_\_\_\_\_ Mob: \_\_\_\_\_

Email: \_\_\_\_\_

Date: \_\_\_\_\_

Membership Category applied for: \_\_\_\_\_ \*

# or Corporate Representative

\* If Corporate Member, corporate name is \_\_\_\_\_

I hereby state that –

- I support the purpose and mission of annecto Inc.
- I agree not to do anything which is or may be considered detrimental to the Association
- I agree to comply with the annecto Inc. Constitution, Regulations and annecto policies
- I agree to any compliance checks required in connection with this application.
- I have attached a statement of why I wish to become a member of annecto, a brief resume and two written character references, including contact details for these referees.

Signed by the Applicant: \_\_\_\_\_

Nominated by: (name) \_\_\_\_\_ a voting member

(signed) \_\_\_\_\_

Seconded by: (name) \_\_\_\_\_ a voting member

(signed) \_\_\_\_\_

The Joining fee (if any) is attached  yes  no  EFT  N/A

The annual subscription of \$ \_\_\_\_\_ or pro rata at \$ \_\_\_\_\_

is attached  yes  no  EFT  N/A

SCHEDULE 2



**Nomination Form for election to the  
annecto Inc. Board**

(Regulation 8)

Name of Nominee: \_\_\_\_\_

Address: \_\_\_\_\_

Telephone: \_\_\_\_\_ Mob: \_\_\_\_\_

Email: \_\_\_\_\_

Date: \_\_\_\_\_

I hereby state that –

- I have read the annecto Regulations and consider myself eligible for nomination as a director
- I support the purposes and mission of annecto Inc.
- I agree not to do anything which is or may be considered detrimental to the Association
- If appointed, I agree to comply with the annecto Inc. Constitution, the Regulations and annecto policies including those relating to directors and the Board.
- I agree to any compliance checks required in connection with Board membership

I accept this nomination: \_\_\_\_\_ (signed)

Nominated by: \* (name) \_\_\_\_\_ a voting member

(signed) \_\_\_\_\_

\* to be completed if a member has made the nomination

This nomination is to be accompanied by:

- |   |  |       |
|---|--|-------|
| 1 | A current CV   | Y / N |
| 2 | A statement setting out relevant qualifications                                | Y / N |
| 3 | A statement to why I am applying to join the Board                             |       |
| 4 | Contact details of two referees, including the member who made the nomination. |       |





## **SCHEDULE 3**

### **annecto mission statement**

annecto will work to carry out its purpose in accordance with the following mission statement approved by the Board.

#### **Philosophy**

annecto is a community based organisation committed to improving the quality of life for people who have disabilities or aged or significantly disadvantaged. annecto's purpose is summarised as connecting individuals and communities to realise an inclusive society, with principles of humanity, interdependence, authenticity and emergence.

The services and activities of annecto are provided on the basis of need and within the guidelines set by this constitution and any relevant legislation.

These services are to provide maximum choice, independence, dignity, privacy and quality of life to the individuals and families for whom the services are offered.

The quality of the service will be assured by adequate resourcing, ongoing staff development and appropriate accountability mechanisms. annecto believes that:

- All people have the same basic rights as other citizens of the same age in the community;
- All people have the right to live as normal a lifestyle as possible;
- All people have a right to live in the least restrictive service options;
- The residential setting in which a person lives should, where possible, enhance integration of that person into the community;
- All people have a right to control their lives as much as possible, either through self-representation or through their advocates;
- All people have a right to participate in decisions which affect their lives; and
- All people have a right to control the services they receive as much as possible, either through self-representation or through their advocates.

#### **Direct Client Services**

annecto will develop and manage a range of needs based, adequately resourced services for those who have disabilities or are significantly disadvantaged, based on principles of fairness. These services should comprise a range of options that are tailored to meet the individual needs of people, and should not discriminate on the grounds of severity of disability or disadvantage, other disabilities, age, cultural or socio-economic background.

The development and management of services will be based on the following criteria:

- There is an identifiable need for that service;
- It is consistent with the purpose and mission statement of annecto;
- Each service can be adequately resourced;
- Each service will be established with its own purposes, strategies and accountability;
- Each service will conform to the principles of quality assurance and evaluation established by annecto; and
- If there is a conflict between two or more services provided by annecto that places conflicting demands upon any consumer, there will be an appropriate procedure for resolution.

## **Additional Activities**

annecto may develop activities that may not currently have clients receiving direct service, such as community education, general advocacy and policy development, based on the following criteria:

- There is an identifiable need for those activities;
- They are consistent with the purpose and mission statement of annecto;
- The activities can be adequately resourced;
- The activities will be initiated with specific purposes;
- The activities will be evaluated according to criteria established upon their initiation; and
- The activities are ancillary to the direct client services provided by annecto.

## **Quality of Service**

In the pursuit of quality services, annecto will:

- ensure that all its services operate with an adequate level of staffing, physical and financial resources;
- ensure that regular reviews are carried out on the standard of its service delivery;
- develop and operate within clear and equitable guidelines and procedures at all levels of service delivery;
- develop all its services so that they are accessible and sensitive to people from diverse cultural backgrounds; and
- ensure appropriate liaison with agencies that provide other services to users of the facilities of annecto.

## **Integration**

annecto will develop and assist with the integration and participation of clients in the day to day activities of the community.

## **Community Education**

annecto:

- promote an awareness within the organisation that annecto provides a model for the development of positive attitudes towards people who have disabilities or are significantly disadvantaged, so that all activities of annecto are an ongoing means of community education; and
- participate in community education programs that promote the rights and abilities of people who have disabilities or are significantly disadvantaged, with particular reference to the services provided by annecto.

## **Consumer Participation**

annecto will:

- value the participation of consumers, their families and advocates at all levels of its activities; and
- provide appropriate and adequate resourcing and education for consumers to enable them to participate at all levels of the organisation, and, in particular, at those levels that most affect decisions about their day to day life.

## **Accessible Information**

annecto will:

- promote all decision making processes and information systems in annecto so as to ensure they are accessible to the consumers, their advocates, families, staff and the Board of Management;
- make available to all consumers and staff appropriate information about the operations, procedures, resources and facilities of annecto; and
- respect and protect the privacy and confidentiality of information about individual consumers and staff.

### **Efficient Administration**

annecto will ensure adequate and efficient administrative back up, and the development of effective management systems at all levels of the organisation.

### **Employment Procedures and Practices**

annecto will promote a positive working environment by ensuring that appropriate and effective employment procedures and practices are implemented.

### **Staff Development and Training**

annecto will advocate for the allocation of sufficient resources for ongoing staff training, so as to ensure adequate and appropriate staff development, training, support and supervision for the benefit of consumers.

### **Policy**

annecto is not-for-profit, non-sectarian and non-political organisation, and will take no position in public affairs, except in regard to matters concerning its client group or potential client group consistent with its purpose and mission statement.

annecto mission statement  
approved by resolution of the Board

5 June 2018

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(date)



## CORPORATE GOVERNANCE MANUAL

### PART 3

#### BOARD CHARTER

This Board Charter is made pursuant to Rule 5 of the Association's Constitution.

#### 1 INTRODUCTION

In carrying out its responsibilities and exercising its powers, the Board at all times recognises its overriding responsibility to act as efficiently as possible consistent with commercial practice and to act honestly, fairly, diligently and in accordance with the law in serving the interests of the members and stakeholders of annecto Inc., as well as its employees and the community.

This Board Charter sets out the authority, responsibilities, membership and operation of the Board of annecto Inc. adopting principles of good corporate governance and practice that accord with applicable laws and custom.

#### 2 ROLE AND FUNCTIONS OF THE BOARD

- 2.1 annecto has the functions, powers and duties conferred on it by the Associations Incorporation Reform Act 2012 (Vic) (the Act) and any other applicable legislation.
- 2.2 annecto shall conduct its activities in such a way that will promote and support its member approved purpose, expressed in paragraph 2 of the Constitution. The annecto Board approved objectives and mission, consistent with the annecto purpose, are contained in the Board approved Regulations.

##### 2.3 Role of Board

The Board's role is to:

- (a) serve the interests of annecto Inc. by overseeing and evaluating the Association's strategies, policies and performance;
- (b) monitor the association's performance and build sustainable value for members and stakeholders in accordance with any duties and obligations imposed on the Board by law and annecto's Constitution and within a framework of prudent and effective controls that enable risk to be assessed and managed;
- (c) review and monitor the Association's objectives, mission and values culture; and
- (d) monitor that members and stakeholders are kept informed of the Association's performance and major developments affecting its state of affairs;
- (e) promote the association with current and potential supporters and stakeholders.

### 3 RESPONSIBILITIES OF THE BOARD

- 3.1 The Board is responsible for
- a) the strategic planning of the Association, and
  - b) oversight of management of the affairs of the Association and, when undertaking these responsibilities, the Board shall have regard to the following principles –
  - c) the need to ensure that funds are properly managed for the purpose of providing individuals and families with advice, advocacy and support at all stages of their lives; and
  - d) the need to encourage and facilitate community involvement in the making and implementation of arrangements relating to individuals who experience disability and ageing to engage and participate in their community; and
  - e) the need to assist communities to address a range of issues to improve economic, environmental and social resilience along with community education to promote inclusion of individuals experiencing difficulties through disability.

- 3.2 In carrying out its function and responsibilities, the duties of the Board shall be –
- a) to approve the strategic plan for annecto and to monitor compliance with this plan;
  - b) to approve annual financial and business plans to ensure the accountable and efficient provision of services and the long term financial viability of the Association;
  - c) to oversee ensure the establishment and maintenance of effective systems to ensure that the services provided by, through or in conjunction with business, community organisations and Federal and State governments meet the needs of the individuals and communities served by the Association and that the views of users of the services are taken into account;
  - d) to monitor the performance of annecto to ensure that the Association -
    - i) operates within its annual budget;
    - ii) has audit or accounting systems (as required) that accurately reflect the financial position and viability of annecto;
    - iii) adheres to its strategic, financial and business plans;
    - iv) has effective and accountable risk management systems in place;
    - v) has effective and accountable systems in place to monitor and improve the quality and effectiveness of services provided by annecto; 3
    - vi) addresses any major problems identified with the quality or effectiveness of services provided by annecto in a timely manner;
    - vii) continuously strives to improve the nature and quality of annecto's the services. it provides;
    - viii) ensures committees established or appointed by the Board operate effectively;
    - ix) to develop arrangements with other relevant authorities and committees to enable effective and efficient delivery of services;
  - e) to monitor the performance of the CEO each financial year, having regard to the objectives, priorities and key performance outcomes specified in the corporate and strategic plans;
  - f) to ensure that stakeholders are advised about significant Board decisions when required and are informed in a timely manner of any issues of public concern or risks that affect or may affect the Association;
  - g) to adopt a code of conduct for Directors, staff, volunteers and students of annecto;
  - h) to approve and adopt Board policies which facilitate and guide the operations of the organisation;
  - i) to provide appropriate training for Directors;
  - j) to monitor the objectives and mission to ensure they currently reflect and support annecto's purpose contained in the Constitution; and
  - k) any other functions conferred on the Board by or under the Act or the Constitution.

In carrying out its responsibilities and functions, the Board may delegate any of its powers to a Board committee, a Director, employee or other person subject to ultimate

responsibility of the directors under the Act.

#### **4 APPOINTMENT OF THE CEO**

- 4.1 The Board shall appoint a Chief Executive Officer for a period of up to five years on such terms and conditions, including remuneration, as are specified in the letter of appointment. The CEO shall be eligible for reappointment.

#### **5 DIRECTORS**

- 5.1 Each Director, in conducting the business of the Board, will act at all times in accordance with the Director Code of Conduct approved from time to time by the Board. As a basic requirement of their office Directors will -
- Act honestly and in good faith
  - Use due care and diligence in fulfilling the functions of the office and exercising the powers attached to that office
  - Use the powers of office only for proper purposes
  - Not inappropriately voice personal opinions outside the Board in relation to its decisions
  - Use information acquired as a Board Member only for appropriate and proper purposes, which would include using information –
    - to gain either directly or indirectly any monetary advantage for the Director or any other person, or
    - with the intent to cause detriment to the association
  - Not take improper advantage of their position as a Board Member
  - Ensure that personal interests, or the interests of any associated persons, do not conflict with the interests of annecto
  - Be independent in exercising judgment and considering actions and exercise reasonable care in the making of all Board decisions
  - Ensure the confidentiality of all sensitive information provided to them as Board members and ensure that such information is only disclosed to third parties as authorised by the Board or as required by law
  - Not engage in conduct likely to bring discredit upon annecto
  - Comply at all times with the spirit, as well as the letter, of the law, the requirements of the Constitution and the Director Code of Conduct and with the principles of this Charter, and
  - Subject only to binding statutory requirements or directives, act in the best interests of the Association and the community it serves.
- 5.2 In discharging these responsibilities, each Director is bound by the Act, and all relevant laws, charters, policies and codes of conduct in force from time to time including, but not limited to this Governance Manual.
- 5.3 The Board's responsibilities are collegiate and, once decisions are made, Directors must not publicly advocate policies contrary to established Board decisions.
- 5.4 A Director is entitled to be reimbursed reasonable expenses incurred in holding office as a director of the Board.
- 5.5 In accordance with the Act and the Constitution, the members may remove a Director, or all Directors, from the Board.
- 5.6 Directors are required to inform the Board of any conflicts or potential conflicts of interest they may have in relation to particular items of business. Directors must, if not voluntarily then at the direction of the Chairman, absent themselves from discussion and decisions

on those matters. Where a conflict of interest or potential conflict is not identified by a Director, the Chairman of the Board or Committee (or other Directors) will call the matter to the attention of the Director.

Note: A potential conflict of interest arises -

- where Directors have private interests that could conflict with their official duties in the future, and
- where a Director has competing interests through more than one official role, or public duty.

## **8 DISCLOSURE OF MATERIAL PERSONAL INTEREST**

- 8.1 Any member of the Board who has a material personal interest in a matter being considered, or about to be considered by the Board or a Board Committee shall, as soon as practicable after the relevant facts come to the Director's knowledge, disclose the nature of that interest at a meeting of the Board or of the Committee.
- 8.2 The Chairman must cause the declaration to be recorded in the minutes of the meeting.
- 8.3 A Director who has a material personal interest in a matter may only be present with the approval of the chairman during any deliberations by the Board or the Committee on the matter but is not entitled to vote on the matter or move or second a resolution on the matter.
- 8.4 If a Director votes on a matter in contravention of the Act, his or her vote must be disallowed.

## **9 PRESIDENT**

- 9.1 The responsibilities of the President / Chairman are principally to –
- a) Liaise with the CEO and the Secretary to ensure that new Board members are appropriately briefed and have access to information on aspects of the association's operations;
  - b) Establish the agenda for Board meetings, in consultation with the CEO and Secretary;
  - c) Be the main point of contact and communication between the Board and the CEO, ensuring that the Board's views are communicated clearly and accurately;
  - d) Act as primary counselor to the CEO;
  - e) Lead the review of the Board's performance and the review of the CEO's performance, ensuring that the delegated authority of the CEO and expected key performance criteria for the CEO are clear;
  - f) Preside over Board meetings and meetings of the association;
  - g) Make sure the Board is well informed and effective; that the members, individually and as a group, have the opportunity to air differences, explore ideas and generate the collective views and wisdom necessary for the proper operation of the Board and the association;
  - h) Set a standard for Board members in terms of attendance at meetings and prior familiarity with Board Papers distributed and issues to be raised;
  - i) Ensure that all meetings are conducted competently, ethically and in an open fashion consistent with a transparent culture;
  - j) Provide effective leadership in formulating the strategic direction for annecto; and
  - k) Ensure that meetings of members are conducted efficiently and that attendees have adequate opportunity to air their views and obtain answers to their queries.

## 9.2 The President as Chair of meetings.

The crucial role of the Chair is management of group process, where the following should be considered as positive contributions to that process –

- The Chair should exercise self-discipline when expressing opinions as well as voting. The position seeks to include all directors in discussion and deliberation. When one or two persons begin to dominate, the Chair should open the meeting to other directors.
- The Chair should develop meetings where information flows freely and enhances the directors understanding of the issues. Yet, as the discussion drifts off topic or becomes tense, the Chair needs to refocus and bring calm to the meeting.
- The Chair should be intolerant of any demeaning language or behaviour.
- When actions are being taken all resolutions should be clearly understood and voting should be accurately recorded.

9.3 The Chairman is responsible for ensuring that the meetings are conducted competently and ethically and is expected to provide effective leadership in formulating the strategic direction for the company.

9.4 Should the Chairman be absent from a meeting, the Vice Chairman / Vice President should act as Chairman of the meeting. If both are not present, the members of the Board present at the meeting have authority to choose one of their number to chair that particular meeting.

## 10 VICE PRESIDENT

The responsibilities of the Vice President / Vice Chairman are principally to –

- a) Support the President in the carrying out of his/her responsibilities;
- b) Take over the responsibilities and functions of the President in the event of absences, illness or incapacity;
- c) Undertake specific functions or responsibilities assigned by the President; and
- d) Represent the organisation as an office bearer as required.

## 11 TREASURER

*(Amendment approved by the Board 22 December 2020)*

11.1 The Treasurer will

- Chair the Board Business Committee
- Represent the Association as an office bearer as required.

11.2 The Treasurer must ensure that

- the CEO is cognisant of the fact that the financial records of the Association must be kept in accordance with the Act and the Constitution.
- appropriate procedures are in place to facilitate the preparation of the financial statements of the Association for Audit and their certification by the Board prior to their submission to the annual general meeting of the Association
- appropriate procedures are in place that allow at least one other Board member, normally the President, to have access to the accounts and financial records of the association for Audit.



## **12 CEO**

12.1 The CEO's duties are to –

- a) devote the whole of their time, attention and skill during normal business hours and at other times as reasonably necessary, to the duties of the office;
- b) be accountable for planning, coordinating and directing the operations of annecto to achieve strategic, financial and operating objectives as agreed with the Board;
- c) formulate and recommend business and financial strategies and plans to develop the Association's business and to implement these plans to achieve agreed performance targets;
- d) promote the interests of annecto; and
- e) faithfully and diligently perform the duties and exercise the powers:
  - i) consistent with the position of a CEO of annecto; and
  - ii) assigned by the Board.

12.2 In fulfilling their duties, the CEO -

- a) reports directly to the Board but takes day to day direction and counseling from the President;
- b) provides prompt and full information to the Board regarding the conduct of the business of the association; and
- c) complies with reasonable directions given by the Board.

## **13 DELEGATIONS**

12.1 The Board may, by resolution, delegate any of its powers or functions (other than its power of delegation unless clearly expressed and only where not prohibited by the Act) to -

- a) a member of the Board, or
- b) an employee of annecto by name or by title, or
- c) a committee established by the Board and comprising at least one Director of annecto, or
- d) any person or body or annecto established committees not comprising annecto directors or staff that the Board thinks fit.

12.2 A delegation is revocable at any time by the Board and does not prevent the exercise of the power or function by the Board.

12.3 Approved delegations are contained in Delegations comprising Part 4 of this Governance Manual, and may be amended from time to time by resolution of the Board.

## **13 MATTERS RESERVED FOR THE BOARD**

Pursuant to Regulation 25, the Board may resolve to reserve specific matters for its own determination and which may not be delegated. These are contained in the Matters Reserved for Board comprising Part XX of this Governance Manual and may be amended from time to time by resolution of the Board.

## **14 MEETINGS OF THE BOARD**

14.1 A meeting of the Board must be held at least four times in each year at the dates, times and places determined by the Board.

14.2 A schedule of meetings for each calendar year will be provided in December of the preceding year, and at least 5 days advance notice will be given of these meetings and

any additional meetings. Changes to the meeting schedule will be advised within 7 days of each change.

- 14.2 A quorum for Board meetings is a majority of Directors, including at least one of the President, Vice President or the Treasurer.
- 14.3 Questions arising at Board meetings are determined by a majority of votes of those present and voting and in the event of equality in votes the motion is lost as the person presiding at the meeting does not have a casting vote. Voting by proxy is not permitted.
- 14.4 Directors may participate in a Board meeting by telephone, closed-circuit television or any other means of electronic or instantaneous communication.
- 14.5 Board and committee papers are provided to directors, where possible, seven days prior to the relevant meeting.
- 14.6 Every possible effort will be made to make documents tabled at a Board meeting available to all directors attending, regardless of location.
- 14.7 If it is not possible to have documents available to all directors, those who do not have the documents may abstain from voting until the documents are available to all members. Any abstention must be indicated to the Chairman at the time the matter is being considered and recorded in the Minutes.
- 14.8 The Board may meet from time to time without the presence of management.
- 14.9 The passing of a Board resolution without meeting may occur by following the procedures set out in rule 66 of the Constitution.
- 14.10 Special meetings of the Board may be called by the Chairman or CEO acting alone, or by any three or more Directors acting together.
- 14.11 In cases of urgency, as much notice as practicable of an urgent meeting must be given to Directors by the quickest means practicable. A resolution at an urgent meeting of the Board must be passed by an absolute majority of the Board, and the only business that may be conducted is that for which the urgent meeting is convened.

## **15 DELEGATION TO BOARD COMMITTEES**

- 15.1 To assist in carrying out its responsibilities the Board may establish and maintain sub-Committees for general or specific tasks.
- 15.2 At least one Board member shall be appointed to each Committee established by the Board. Usually, the Board member will act as Chairman to the Committee.
- 15.3 Each sub-Committee shall adopt a Board approved charter setting out matters relevant to the composition, responsibilities and administration of such committees, and other matters that the Board may consider appropriate.
- 15.4 The Board may also delegate specific functions to sub-committees on an 'as needs' basis. The powers delegated to these committees will be described in Board resolutions, Committee Charters and in Delegations, in Part 4 of this Governance Manual.

## **16 RELATIONSHIP WITH MANAGEMENT**

- 16.1 Directors may delegate their powers as they consider it appropriate. Ultimate responsibility for strategy and control of the Company rests with the directors.

- 16.2 The management function is conducted by, or under the supervision of, the CEO as directed by the Board (and by other officers to whom management function is properly delegated by the CEO).
- 16.3 Management must supply the Board with information in a form, timeframe and quality that will enable the Board to discharge its duties effectively. Directors are entitled to request additional information at any time when they consider it appropriate. When requesting information Directors will take reasonable account of management workloads.
- 16.4 Through the CEO, Directors may converse with management and member of staff in order to seek clarification or further information on matters before the Board or a Board Committee.
- 16.5 While the Board may provide direction to management when it is deemed appropriate to do so, a Board Committee can only provide direction to management if authorised to do so by the Board or in accordance with a Board approved Committee charter.

## **17 SELF ASSESSMENT**

The Board shall conduct self-assessment of its performance in accordance with the Regulations.

## **18 REVIEW OF CHARTER**

The Board will regularly review this charter and the charters of Board Committees to ensure they remain consistent with the Board's objectives and responsibilities, and relevant standards of corporate governance.

Approved by resolution of the Board  
5 June 2018

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## CORPORATE GOVERNANCE MANUAL

### PART 4

#### DELEGATIONS

These delegations are made pursuant to Rules 5 and 43 of the Association’s Constitution.

#### 1 INTRODUCTION

The annecto Board has ultimate responsibility for making commitments and giving undertakings to ensure public funds and business practices are managed with due prudence and probity in accordance with legislative and statutory requirements. The Board may, in accordance with rule 43 of the Constitution, delegate its authority to facilitate the effective management of the Association.

The purpose of this Part of the Governance Manual is to formalise Board delegations to nominated staff of the Association and is to be used in conjunction with approved management policies and practices. The Part should be read in conjunction with the Matters Reserved for Board in Part 6 and other relevant Board approved policies.

The Board may make and revoke any delegation without notice.

#### 2 RULE 43 OF THE CONSTITUTION

##### “43 Delegation

- (1) The Board may delegate to a member of the Board, a Board committee or staff, any of its powers and functions other than—
  - (a) this power of delegation; or
  - (b) a duty imposed on the Board by the Act or any other law.
- (2) The delegation must be in writing and may be subject to the conditions and limitations the Board considers appropriate.
- (3) The Board may, in writing, revoke a delegation wholly or in part.”

#### 3 UNIVERSALLY APPLIED CONDITIONS

- 3.1 The Board allows delegation of authority to the CEO and sub-delegation by the CEO to nominated senior staff, who may further sub-delegate with the express approval of the CEO. The CEO remains responsible for the actions of staff to whom authority has been sub-delegated.
- 3.2 Delegations of authority from the Board may at any time be amended or revoked by the Board and sub-delegations of authority from the CEO may be amended or revoked at any time by the CEO or the Board.

- 3.3 Delegations may only be properly exercised within the constraints of the approved annual consolidated budget. Out of budget expenditures are NOT covered, and must be the subject of a specific request to either the Board or the CEO as appropriate.
- 3.4 Any dollar values in this manual relate to the total cost of a project, contract or service over the life of that project, contract or service, regardless of the number of orders or parts or attendances necessary. Related items are not to be split across more than one requisition, contract, arrangement or agreement to avoid or circumvent the delegations of authority contained in this Manual.
- 3.5 All legally binding contracts entered into by the Association must be executed in accordance with the document signing and delegations policies of the Board, which may include the use of the Common Seal.
- 3.6 All documents to which the Common Seal of annecto is affixed shall be witnessed by
- Any two directors,
  - A director and the CEO, or
  - A director and the Secretary
- 3.7 A series of orders for goods or services or capital items provided for under the terms and conditions of a head contract must be authorised in accordance with the delegations in this Delegations Manual and must be signed in accordance with annecto's document signing policy. After signing of a head contract or service agreement, the CEO or nominated Staff member may place and authorise such continuing orders for the receipt or provision goods and services as contemplated, provided the orders do not exceed the agreed value of the head contract and are within budget.
- 3.8 All delegated authorities must be strictly adhered to and any officer exceeding their delegated authority, by undertaking or approving an action outside of their express authority, may be considered to be in breach of their terms of employment.
- 3.9 Any staff member who exceeds their delegated authority by approving an action outside of their express authority, may be held personally liable for any debt incurred on the basis that the underlying expenditure was not approved by the Association and that the individual was acting independently of the Association.
- 3.10 No person can sign an approval resulting in a reimbursement of expenses, authorisation of leave, overtime allowance or other benefit to themselves. Reimbursement of the Chief Executive's business expenses may be approved by the President, Vice President or the Treasurer.
- 3.11 If an approval of an action cannot be related to a specific delegation of authority within this manual or requires additional clarification, then the person wishing to give that approval must seek clarification from the CEO.

## 4 DELEGATIONS

*Note: Delegations vested in a nominated staff position may be exercised by staff temporarily appointed to or filling in for that position. All delegations operate within the parameters set by the policies and procedures contained in the annecto Quality Management Systems.*

The annecto Board has approved the following delegations -

### 4.1 To The CEO

- Sign off on extensions or renewal of government and other contracts
- Lodgement of tenders and submissions relevant of annecto's purpose and strategy
- Staff remuneration policy and packages, within industrial requirements and any benchmarking policies as agreed by the Board
- Appointment of consultants
- All staff appointments, terminations, redundancies, study leave & special leave other than terminations within the probationary period
- Organisation level Quality polices
- Annual consolidated budget for Board approval
- Annual Cost Centre budgets
- Variations to Annual Cost Centre budgets
- Approval of annual leave, sick leave, time in lieu, training and travel for direct reports
- All capital expenditure items within budget
- Office leasing and related costs where entering into the lease of office premises was approved by the Board
- Write off, sale or disposal of equipment, stores, obsolete or surplus assets
- Bad debt write-offs
- Obtaining legal advice and commencement or settlement of litigation, including insurance claims
- Authorisation of media and other public statements
- Budget variations within consolidated bottom line.
- Authority to exercise delegations approved to other positions
- Authority to delegations from other positions.

#### 4.2 **To the Chief Financial Officer**

- Management of all financial matters within position scope and any specific delegations, in accordance with organisational policies
- Management of car fleet, telephones, property and other assets within policies and budget parameters
- Contracts with suppliers – vehicles, IT, telecommunications, agency support work.
- Payment of invoices for utilities, telephone and rates, stationery, office supplies operating expenses and consumables
- Fortnightly payroll approval
- Expenditure on pre - approved designated items within budget parameters
- Communication with Government Departments & external agencies on financial matters.

#### 4.3 **To the Human Resources Manager**

- Staff remuneration packages, within policy and industrial requirements
- Employment, contracts and contract variations for staff other than Senior Managers and CEO direct reports
- Approval of staff appointments, including locum staff within staffing establishment approved by the CEO
- Approval of staff suspensions and investigations of staff conduct
- Approval of staff terminations within the probationary period
- Staff attendances at training courses and conferences.
- Work cover claims and Return to Work provisions.
- Represent annecto with Fair Work and the Work Cover Authority
- Represent annecto with unions, IR and other advisors.

#### 4.4 To the General Manager

- Withdrawal of Services - after consultation with CEO
- Communication with Government Departments & external agencies on matters within the position scope
- Expenditure on designated items within budget parameters.
- Represent annecto with Government Departments & external agencies on matters within the position scope.
- Dismissal of employees on a probationary period after consultation with Human Resources Manager.
- Approval of staff suspensions and investigations of staff conduct after consultation with the Human Resources Manager

#### 4.5 To the Regional/Area/Program Manager

- Acceptance of new referrals and Client Service Agreements
- Expenditure on client services and other designated items within approved budget parameters
- Approval of annual leave, sick leave, time in lieu for direct & indirect reports
- Represent annecto with Government Departments & external agencies on matters within the position scope.

#### 4.6 To Board Committees

- Board delegations of authority to Board Committees will be contained in the relevant Committee Charter.
- Each Committee established by the Board has a formal Charter approved by the Board setting out the authority, responsibilities, membership and operation of the Committee.
- The Committees may make such recommendations to the Board that they determine to be appropriate.

## 5 CONTACT

For information regarding or interpretation of this Part 4 of the Governance Manual, contact the CEO.

Approved by resolution of the Board

5 June 2018

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## **CORPORATE GOVERNANCE MANUAL**

### **PART 5**

#### **BOARD COMMITTEES**

This Policy is made pursuant to Regulation 10 of the Association's Regulations.

#### **1 INTRODUCTION**

Pursuant to the Regulations, the Board may establish Committees to assist the Board perform its function and carry out its duty. Assistance may be provided in any way the Board determines and may consist of, amongst other things, investigation, research, advice, recommendations, actions, representations and interpretations.

#### **2 PURPOSE AND RESPONSIBILITY OF BOARD COMMITTEES**

The purpose and responsibility of each Board Committee will be as determined by the Board when a Committee is established, and may be amended by resolution of the Board anytime it sees fit to do so. All Committees established by the Board shall comply with this Part 5 of the Governance Manual and the procedural requirements it contains.

The approved Board Committee Charters evidences the purpose and the responsibility of each established Committee of the annecto Board and appear as Schedules to this Policy (one Schedule for each Committee). The Committee Charters also contain, where applicable, any delegation of the Board's powers to the respective Committee. The Committee Charters also contain any specific duties, procedures and outcomes the Board requires of the respective Committee.

#### **3. AUTHORITY**

3.1 The Board authorises its Committees, within the scope of their responsibilities, and delegation, to:

- a) Pass resolutions either recommending a decision or proposed action to the Board or as otherwise directed by the Board.
- b) Report to the Board and provide appropriate advice and recommendations on matters relevant to the purpose in its charter;
- c) Through the CEO, obtain information from any employee and any relevant external party consistent with any Board agreed stakeholder or staff interaction procedures or restrictions;
- d) Have reasonable rights of access to the CEO;
- e) Recommend the instigation of special investigations to the Board; and
- f) Proceed in any other way requested by the Board; and
- g) exercise any authorities specifically delegated to the Committee to enable performance of its function.



3.2 The Committees do not otherwise have:

- a) Executive powers;
- b) Power to make binding Board decisions;
- c) Power to implement action in areas over which management has responsibility;
- d) Delegated financial responsibility; or
- e) Any management function.

3.3 Committee voting procedures shall be in accordance those relating to decisions of the annecto Board -

(See Paragraph 14.3 of the Board Charter -

Questions arising at Board meetings are determined by a majority of votes of those present and voting and in the event of equality in votes the motion is lost as the person presiding at the meeting does not have a casting vote. Voting by proxy is not permitted.)

#### **4 COMPOSITION AND TENURE**

- a) The Board is responsible for the appointment of Committee members, who will be those persons designated in the respective Committee Charters.
- b) The Board will appoint a director as the Committee Chair having regard for the member's leadership and other skills.
- c) Members will be appointed for an initial period not exceeding three years after which they will be eligible for extension or re-appointment after a formal review of their performance.
- d) The President, if not an appointed committee member, may attend any Committee meeting of their choosing and will have the right to vote at any such meeting.
- e) Other Board members, who are not currently an appointed committee member may attend any Committee meeting of their choosing but will not have the right to vote at any such meeting.
- f) The members taken collectively will have a broad range of skills and experience relevant to the operations of the Association. At least one member of the Committee should have skills relating to the purpose of the Committee.

#### **5. Responsibilities of Committee members**

Committee members will assume the responsibility to:

- a) Contribute the time needed to study and understand the papers provided;
- b) Apply their skills objectively and exercise good judgement;
- c) Express opinions frankly, ask questions that go to the fundamental core of any issue and pursue independent lines of enquiry; and
- d) undertake professional development to keep themselves up to date.

#### **6. Reporting to the Board**

While the deliberations of the Committees are considered to be confidential, the respective Committee Chair will present to the Board:

- a) All minutes of the committee for noting (these will be sent to each director with the papers for the next available Board meeting);
- b) Any formal resolutions of the committee;

- c) An annual review of the Committee's purpose and its achievement of that purpose;
- d) Other matters the Committee believes need to be reported to the Board; and
- e) Any recommendations requiring Board action and/or approval.

## 7. ADMINISTRATIVE ARRANGEMENTS

### 7.1 Committee Meetings -

- a) Each Committee will meet with the frequency required by the Board but at least once in each calendar quarter unless otherwise stated.
- b) Committee Chairs will call a meeting of their Committee if requested by any Committee member or the President or CEO.
- c) The Committee Chair may invite such other persons to Committee meetings or to assist the Committee as is deemed necessary including persons to provide expert advice.
- d) Committee members may not appoint an alternate to attend or vote on their behalf.
- e) The Secretary, or the CEO, in conjunction with the Committee Chair must draw up an agenda for each meeting which will be circulated to the members of the committee at least seven days prior to each meeting of the Committee.
- f) The Secretary shall take minutes of the Committee's proceedings.

### 7.2 Committee Performance -

- a) The Committees will once a year assess their performance as a Committee.
- b) Each Committee Chair will arrange assessment of their Committee with all members present to consider the following:
  - Has the Committee taken action on each of its responsibilities in the past year?
  - Has the action taken been effective?
  - Has the Committee achieved all elements of its purpose?
  - Are there functions to which more time or effort should have been devoted?
  - Does the Committee receive from management adequate, appropriate, sufficient and timely information necessary to ensure that it exercises diligent and effective control over the achievement of its purpose?
  - Can Committee agendas be improved?
  - Can the conduct of meetings be improved?
  - Is the skills mix of Committee members suited to the role of the Committee?

Approved by resolution of the Board

5 June 2018

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## SCHEDULE 1

### 1. **Committee Charter** for Business Committee (BC or the Committee)

#### 2. **Committee Purpose**

The purpose of the Business Committee is to provide best practice in governance as leadership of business.

- for the financial health and viability of the annecto
- for safety, compliance and risk management from the perspectives of all stakeholders
- in monitoring strategic and business performance outcomes and outputs at the level of macro measures
- in providing a 'safe place' for the CEO to discuss macro level proposals, successes and possible corrective actions with Directors on matters within the scope of the Committee prior to more formal presentations.

The Business Committee:

- Is a Standing Committee of the Board
- Operates within Board delegations
- Is advisory to the Board i.e. makes recommendations to the Board for decision.

#### 3. **Committee Objectives**

The Committee's objective is to assist the Board in discharging its responsibility in exercising due care, diligence and skill in direction of business and financial management towards to organisation's purpose and strategic priorities.

#### 4. **Committee Responsibilities**

Without limiting its stated purpose, the responsibilities of the Committee shall include providing guidance to the Board on:

- Strategic Business Management Performance and Risk.
- Financial Analysis.

##### 4.1 **Strategic Business Management**

- Develop and review a framework of KPI's for macro (governance) level measurement and monitoring of organisation's performance and implementation of strategy against measurable and qualitative indicators, encouraging effectiveness and ensuring that appropriate resources are available to do so.
- Receive and consider reports at the level of macro measures of strategic and business performance. Identify and discuss where performance is exceeding or lagging in relation to expectations (at the level of macro-measures).
- Receive and consider reports generated by the annecto Board level strategic Risk Management Framework and Risk Register. Review the Board level Risk Register and recommend updates to the Board.
- Receive and consider reports on scheduled quality and related audits which monitor compliance of service delivery and business practices with all legislative, regulatory, legal, environmental and community acceptable standards. Recommend to the Board on alerts.
- Provide a safe space for the CEO to discuss emerging opportunities and risks indicated by the internal and external environment; provide feedback to the CEO on proposed initiatives outside the CEO's delegation prior to formal Board presentations.
- Act as a sounding board for major projects such as mergers, acquisitions and major capital projects.

##### 4.2 **Financial Analysis**

- Monitor income and expenditure patterns, practices and projections against approved budget parameters and strategic objectives, incorporating lead and lag indicators.

- Monitor cash flow to enable annecto to meet obligations for all creditors to be paid when due.
- Monitor progress of implementation of any recommendations arising from the annual financial audit, such as regarding financial controls.
- Develop and review an internal audit program for adoption by the Board. This may include recommendations to the Board for targeted audits where there are governance questions that cannot be addressed through normal management reporting and procedures.
- Identify and make recommendations to the Board on long term financial requirements including assets and investment policy and strategy.

#### **4.3 Other matters:**

- Provide macro level input into forward income and expenditure planning through the annual budgeting process, including discussion of the annual budget prior to presentation by the CEO to the Board.
- Deal expeditiously with any matters referred to the Committee by the annecto Board.

### **5 Membership**

Membership of the Business Committee shall comprise –

- Treasurer, annecto Board, who will chair the Committee.
- Minimum of two other Board members (who may or may not be office bearers) appointed by the Board. No upper limit.
- Chief Executive Officer
- Chief Financial Officer,
- Executive Manager(s) as proposed by the CEO and subject to review according to organisational requirements.
- Such other (non-director) persons (staff, members or persons with special expertise) appointed for a specified term by the Board, for example invited to join a working party for a specific project. Such membership would be for a specific time duration and potentially also add as an introduction as to the operations of annecto and Committee/Board membership.

Staff who are not members of the Committee may attend the meeting on request of the CEO to provide report(s) or other information on topics before the Committee.

### **6 Meetings**

- a) The Committee shall –
  - Conduct its meetings at a time and location determined by the Committee.
  - Meet with a frequency determined by the Board.
  - Subject to agreement with the Committee Chair, members may participate in a meeting using Zoom or other technology in use by annecto that allows all meeting participants to clearly and simultaneously communicate with each other. If the Committee Chair calls an in – person meeting all committee members are expected to be physically present if possible.
- b) All Directors will receive monthly financial reports and are encouraged to direct questions in writing to the CEO & CFO. Responses to questions will be included in Committee meeting minutes and/or Board reports.

### **7 Governance**

The Committee will comply with all requirements relating to Board Committees contained in the annecto Board Committee Policy, to which this document is a Schedule.

(Approved by resolution of the Board as of 22 December 2020)

## SCHEDULE 2

### 1. **Committee Charter for**

Culture (Practice, Innovation and People) Committee (CPIP or the Committee)

### 2. **Committee Purpose**

The purpose of the CPIP is to –

- stimulate leadership, innovation, energy and commitment to deliver on annecto's purpose and principles
- be a Standing Committee of the Board
- be an advisory Committee to the Board

### 3. **Committee Objectives**

The committee's objective is to assist the Board in discharging its responsibility in exercising due care, diligence and skill in relation to its purpose stated above.

### 4. **Committee Responsibilities**

Without limiting its stated purpose, the specific duties and responsibilities of the Committee shall include -

- 4.1 Fostering and promoting a culture within annecto that enables a proactive and sustainable approach to:
  - Quality of relationships and connections across the annecto community
  - Quality of life outcomes that build choices and opportunities
  - Fostering a learning culture
  - Staying abreast of policy and policy debate
  - Identifying trends and service gaps
  - Promoting continual improvement
  - Envisioning the future
  - Sponsoring of initiatives that provide opportunity for real service and practice evolution
  - Influencing Stakeholders
- 4.2 Dealing expeditiously with any matters referred to the Committee by the annecto Board.
- 4.3 Providing informed contribution to annecto strategy plans.
- 4.4 Recommending initiatives to the Board for adoption a required.
- 4.5 Dealing expeditiously with any matters referred to the Committee by the annecto Board.

### 5 **Membership**

Membership of CPIP shall comprise –

- Minimum of two Board members, who may or may not be office bearers. No upper limit.
- A Board elected Chair (who must be a Board member and may be one of the two required Board members)
- Chief Executive Officer
- At least one staff member
- Such other (non-director) persons appointed for a specified term by the Board.

## **6 Meetings**

- a) The Committee shall –
- Conduct its meetings at a time and location to be determined by the Committee.
- b) The Chair shall also meet as required with the CEO.

## **7 Governance**

The Committee will comply with all requirements relating to Board Committees contained in the annecto Board Committee Policy, to which this document is a Schedule.

Approved by resolution of the Board

5 June 2018

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# CORPORATE GOVERNANCE MANUAL

## PART 6

### MATTERS RESERVED FOR BOARD

Made pursuant to Regulation 26 of the Association's Regulations

#### 1. INTRODUCTION

The management and control of annecto's business is vested in the board. This Part of the Delegations Manual sets out the Board's responsibilities and summarises the matters specifically reserved for determination by the Board. Matters delegated to Management are contained in Part 4 Delegations, which should be read in conjunction with this Part 6.

#### 2. THE KEY RESPONSIBILITIES OF THE BOARD INCLUDE

- Appointing, evaluating, rewarding and if necessary the removal of the Chief Executive Officer ("CEO");
- Approval of corporate goals and strategy with management and approving finance and business plans, major capital and operating expenditures and major funding activities proposed by management;
- Monitoring actual performance against defined performance expectations and reviewing operating information to understand at all times the state of health of the Association;
- Overseeing the management of business risks, safety and occupational health, environmental issues and community development;
- Satisfying itself that the financial statements of the company fairly and accurately set out the financial position and financial performance of the Association for the period under review;
- Satisfying itself that there are appropriate quality management reporting systems and controls in place to assure the board that proper operational, financial, compliance, risk management and internal control process are in place and functioning appropriately. Further, approving and monitoring financial and other reporting;
- Assuring itself that appropriate audit arrangements are in place;
- Ensuring that the Association acts legally and responsibly on all matters and assuring itself that the Association has adopted a Director Code of Conduct and that the Association's practices are consistent with that Code; and
- Reporting to and advising stakeholders.
- Contributing and demonstrating leadership in promotion of the organisation to investors, potential services users and other stakeholders.

and, to establish procedures which ensure that the Board is in a position to exercise its powers and to discharge its responsibilities as set out in this document.

#### 3. MATTERS RESERVED FOR THE BOARD

In addition to matters expressly required by law to be approved by the Board, powers specifically reserved for the Board are as follows:

- 3.1 appointment and termination of the CEO and determination of his or her terms and conditions (including KPI's and remuneration);
- 3.2 any matters in excess of powers that it may have from time to time delegated to the CEO and to nominated staff;
- 3.3 approvals of each of the following:
  - (a) the corporate strategy, at least annually;
  - (b) the budget, at least annually;
  - (c) the level of remuneration and conditions of service including any financial incentives for the CEO at least annually;
  - (d) the balance of responsibilities between the president, Vice President, CEO and other Directors, at least annually;
  - (f) the acquisition, establishment, disposal or cessation of any significant business of the Association;
  - (g) the annual financial reports and any other information for disclosure to stakeholders that contains or relates to operational performance, statements as to current and future financial performance or changes to the policy or strategy of the Association (taken as a whole);
  - (h) investment policies;
  - (i) borrowings, other than in the ordinary course of business, and the granting of security over, or interests in, the undertaking of the Association or any of its assets;
  - (j) the making of any public statements which reflect significant issues of annecto policy or strategy where such significant issues of policy or strategy have not been previously approved by the Board;
  - (k) any change to the powers delegated from the Board; and
  - (l) any change to Board-level policies.

### 3.5 OPERATIONAL RESPONSIBILITIES

Responsibilities described in the following operational areas are also specifically reserved for the Board:

#### 3.5.1 Oversight of Strategy and Planning

- (a) Ensure the development of annecto's corporate strategy through constructive engagement with Management;
- (b) Review and approve annecto's corporate strategies, strategic business plans, annual budgets and annual performance objectives; and
- (c) Monitor and assess the CEO's performance in achieving any strategies, plans, budgets and performance objectives approved by the Board.
- (d) Monitor the organisation's performance and implementation of strategy against measurable and qualitative indicators, encouraging effectiveness and ensuring that appropriate resources are available to do so.
- (e) Review on a regular and continuing basis:
  - (i) Senior staff succession planning (and in particular the CEO); and
  - (ii) Senior staff career development activities.

#### 3.5.2 Oversight of Management

Independently, or with guidance from any appropriate Board Committee:

- (a) Appoint and, if appropriate, remove the CEO;
- (b) Set criteria for, and evaluate at least annually, the performance of the CEO;
- (c) Approve remuneration policies and practices for the direct reports to the CEO;



- (d) Ensure Management supplies the Board with information that will assist the Board discharge its duties; and

### **3.5.3 Oversight of financial management and capital management**

Independently, or with the guidance of the Finance and Sustainability Committee as appropriate:

- (a) Determine that the Association's accounts are true and fair in accordance with legislative requirements;
- (b) Review and approve annual and half yearly financial reports;
- (c) Monitor annecto's financial position and results on an ongoing basis and against the approved annual budget;(d) Oversee annecto's accounting and financial management systems;
- (e) Oversee annecto's external and internal control audit processes and ensure the adequacy of audit activities;
- (f) Review, approve and monitor the progress of major capital expenditure, capital management levels, major acquisitions and divestitures and material commitments; and
- (g) Approve decisions affecting the capital structure of the Association, including major financing arrangements.

### **3.5.4 Oversight and participate in Stakeholder Relations**

- (a) Oversee and participate in effective communication with stakeholders, including convening Meetings, and listening and responding to views;
- (b) Facilitate the effective exercise of stakeholder's rights and entitlements; and
- (c) Report to stakeholders in accordance with regulatory requirements.
- (d) Establish and maintain policies governing the Association's stakeholder relationships (including employees, clients and providers) and the broader communities in which annecto operates; and
- (e) Establish and maintain appropriate environmental, employment and occupational health and safety policies.
- (f) Actively promote the organisation with stakeholders.

### **3.5.5 Oversight of Ethics and Sustainability**

- (a) Demonstrate leadership in monitoring and influencing annecto's culture and actively promote ethical and responsible decision making within the Association;
- (b) Consider and review the social and ethical impact of annecto's activities;
- (c) Establish and maintain a Director's Code of Conduct to guide its Directors, and a complimentary Code for Management and Employees in the practices necessary to maintain confidence in annecto's integrity; and
- (d) Establish and maintain a system of accountability and procedure for unethical practices.

### **3.5.6 Oversight of Compliance and Risk Management**

- (a) Oversee annecto's corporate governance, quality management, internal control and accountability systems and reviewing reporting under those systems;
- (b) Establish, oversee and review the effectiveness of systems for identifying, assessing, monitoring, and managing material business risks through the Association, and informing relevant stakeholders of material changes to the Association's risk profile; (c) Establish, oversee and review systems of quality management, internal compliance, risk management and control, and

- systems of legal compliance that govern the operations of the Association, and ensure that they are operating effectively;
- (d) Oversee approvals in relation to related party transactions and disclosures; and
- (e) Establish, oversee and review written policies, codes and procedures governing compliance, risk oversight and management.

#### **4. DELEGATION TO COMMITTEES**

The Board may delegate any of its powers to a Committee established by the Board. See Part 5 of the Governance Manual – Board Committees.

A Committee must exercise the powers delegated in accordance with any directions of the Directors and may:

- (a) investigate any activity within the terms of its specification;
- (b) following consultation with the President and / or the CEO, obtain such information as it considers necessary from Management; and
- (c) obtain external legal or other independent advice, as it considers necessary.

Each Committee established by the Board will have a formal Charter approved by the Board setting out the authority, responsibilities, membership and operation (including reporting) of the Committee. A Board Committee may make such recommendations to the Board that the members deem appropriate.

#### **5. DELEGATION TO CEO AND MANAGEMENT**

The Board has delegated to the CEO the authority to manage the day to day affairs of annecto and the authority to control the affairs of the Association in relation to all matters other than those responsibilities reserved to the Board in this Board policy.

The authority delegated to the CEO and Management is set out in Part 4 of this Governance manual.

#### **6. WHO TO CONTACT**

Any questions relating to the interpretation of this Part 6 should be forwarded to the CEO.

Approved by the Board

5 June 2018

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## CORPORATE GOVERNANCE MANUAL

### PART 7

#### DEED FOR DIRECTOR ACCESS TO DOCUMENTS

**THIS DEED** is made the                      day of                      2016

between

**annecto Incorporated** (ABN 69 045 491 808)  
of 81 Cowper Street, Footscray, Victoria, 3011                      ("the Association")

and

of                      , Victoria, 3000                      ("the officer")

#### RECITAL

- A        The Association has generally agreed to take out and maintain a Directors & Officers liability insurance policy with respect to the officer against liability for acts or omissions of the officer in his capacity of an officer of the Association.
- B.        The Association has agreed to provide access to the officer of Board papers and the right to take copies of all or any part of them during the access period.

It is agreed: -

#### 1        DEFINITIONS AND INTERPRETATION

##### 1.1        Definitions

The following definitions apply unless the context requires otherwise;

**"access period"** means the period beginning on the day the officer becomes the holder of a relevant office with the Association and ending nine years after the end of the appointment period.

**"appointment period"** means the period during which the officer holds office as a director or officer of the Association.

**"Board"** means the Board of directors of the Association.

**"Board papers"** means;

- (a) where the officer is a director or former director of the Association, all existing and future written communications given or made available to the directors of the Association, or any one or more of them or tabled at meetings of the Board or any committee of the Board during the appointment period and any other documents in the possession of the Association which are referred to in those documents; or
- (b) where the officer is not a director or former director of the Association, all documents referred to in paragraph (a) of which he or she was the author or which he was authorised to have in his possession during the appointment period.

**"D & O liability insurance policy"** means an insurance policy maintained by the Association with a reputable insurance company for the benefit of (amongst others) the officer, which insurance policy insures the officer against liability for acts or omissions of the officer in the officer's capacity or, following the appointment period, former capacity, as a director or officer of the Association and upon the normal and usual terms and conditions of a D & O liability insurance policy generally available from a reputable insurance company.

**"liability"** means all costs, charges, losses, damages, expenses, penalties and liabilities of any kind (including, in particular, but without limitation legal costs incurred in defending any proceeding (whether criminal, civil, administrative or judicial) or appearing before any Court, Tribunal, or any investigative or other body) as covered by the D & O liability insurance policy.

**"officer"** means any director or officer of the Association.

## 1.2 Interpretation

Headings are for convenience only and do not affect interpretation.

The following rules apply unless the context requires otherwise:-

- (a) the singular includes the plural and conversely;
- (b) a reference to a party to this deed includes the parties' successors and substitutes (and, where applicable, the parties' legal personal representatives);
- (c) gender includes all genders; and
- (d) a reference to conduct includes, without limitation, an omission, statement or undertaking whether or not in writing.

## 2 DIRECTORS AND OFFICERS LIABILITY INSURANCE

2.1 Subject to clauses 2.4 and 2.5, the Association will, during the access period, use its best endeavour to maintain a D & O liability insurance policy with respect to the officer.

2.2 During the access period, the Association shall use its best endeavours to ensure that the terms of the D & O liability insurance policy, taken as a whole, are not less favourable to the officer than:-

- (a) the terms of the D & O liability insurance policy applicable to the officer at the commencement of the appointment period; and

- (b) the terms of the D & O liability insurance policy applicable to the officers of the Association during the access period.
- 2.3 The Association, upon request of the officer, will provide the officer with a copy of the D & O liability insurance policy and each certificate of currency in respect of the D & O liability insurance policy issued from time to time by the Association's insurance company within thirty days of any request from the officer.
- 2.4 If, after having used its best endeavours, the Association reasonably determines that it is unable to obtain a D & O liability insurance policy on reasonable terms, the Association's obligation to maintain a D & O liability insurance policy will come to an end provided that the Association notifies the officer of its determination that it is unable to obtain a D & O liability insurance policy under this clause before any existing policy expires.
- 2.5 The Association is not obliged to maintain the D & O liability insurance policy where to do so would contravene any law, provided that the Association notifies the officer of its intention to terminate the D & O liability insurance policy under this clause before that termination.

### **3 ACCESS TO BOARD PAPERS**

- 3.1 The Association will ensure that a complete set of Board papers in chronological order will be kept during the access period in an appropriate and secure manner.
- 3.2 During the access period, the Association, on receiving reasonable notice from the officer, shall without charge:-
  - (a) permit the officer access during normal business hours to those Board papers which relate to the appointment period; and
  - (b) provide a copy to the officer, without charge, of such Board papers, or any part of them, on request by the officer.
- 3.3 Subject to clause 3.4, the officer will not waive any legal professional privilege attaching to information in the Board papers.
- 3.4 The officer may use the documents in a manner that results in any legal professional privilege attaching to information in the Board papers being waived, if and only if:
  - (a) such use is reasonably necessary to defend his interest in any legal proceedings to which he is a party in his capacity as officer; and
  - (b) has given the Association at least three business days' notice of their intention to so use the Board papers.
- 3.5 Nothing in this deed is intended to replace or reduce the duties which the officer may have to the Association under any law (including any statute, common law or equitable rule). In particular, and without limitation to the preceding sentence, the officer acknowledges that the officer's duties to the Association in relation to the use of any Board papers, including the duty to maintain the confidentiality of the Association's documents after the appointment period, provided that the officer is entitled to disclose those parts of the Board papers which relate to or are connected with legal proceedings of the kind described in clause 3.4 to third parties connected with such proceedings including the officer's legal advisers.

**4 MISCELLANEOUS PROVISIONS**

**4.1 Severability of provisions**

Any provision of this deed which is prohibited or unenforceable in any jurisdiction, is ineffective as to that jurisdiction to the extent of the prohibition or unenforceability. That prohibition or unenforceability does not invalidate the remaining provisions of this deed nor affect the validity or enforceability of that provision in any other jurisdiction.

**4.2 Assignment**

The rights and obligations of each party under this deed are personal and cannot be assigned, encumbered or otherwise dealt with.

**4.3 Entire deed**

This deed contains the entire agreement between the parties with respect to its subject matter and supersedes all prior deeds, arrangements and understandings between the parties in connection with it.

**4.4** Nothing in this deed limits or affects or will be limited or affected by any indemnity or immunity contained in the *Association's Incorporation Reform Act (Viv) 2012* or the Association's Constitution (in the event that the Association is corporatized under the Corporations Act (Clth) 2001) except as expressly provided in any such provision of the said Act or Constitution.

**4.5 Governing law**

This Deed is governed by the laws of Victoria.

**EXECUTED AS A DEED**

The Common Seal of )  
**Annecto Incorporated** )  
was hereto affixed )  
in the presence of: )

Director .....

CEO/Secretary .....

Signed by the Officer in the )  
presence of: )

.....  
(Officer sign)

.....  
Signature of witness

.....  
(Officer name)

.....  
Name of witness