

Board Charter

Policy 1.01

GOVERNANCE & LEADERSHIP

Introduction:

The purpose of this Charter is to set out how Wentworth Healthcare Limited (**WHL** or **Company**) is governed and, as the governing body, the powers, roles, processes, functions and expected conduct of the WHL Board of Directors (**Board**) in undertaking their responsibilities.

The Board derives its authority to act from the WHL Constitution (**Constitution**) and the *Corporations Act 2001* (Cth). Any power, role, responsibility, process or function of the Board outlined in this Charter will be exercised consistent with the requirements of the Constitution, the *Corporations Act* and *Australian Charities and Not-for-Profits Commission Act* and the provisions of this Charter should be read in such a way. WHL is committed to upholding the principles and practices of excellence in governance as set out in the ACNC Governance Standards and the *Corporations Act* to the extent consistent with the ACNC Governance Standards. The Company also has regard to the ASX Corporate Governance Principles and Recommendations. This Charter is supplemented by other Board and Company policies and terms of reference for Board committees.

1.0 Governance Roles

1.1 Board composition

The Company will be governed by a skills-based board that will consist of Directors having appropriate competencies, skills and experience in light of the Skills Matrix. A Director need not be employed by or otherwise associated with a Member of the Company.

The *Director Nomination and Recruitment Policy* sets out the Company's approach to recruitment of Directors for appointment to the Board or for nomination as a potential candidate for Members to consider for election to the Board. In accordance with good governance principles the Company considers director independence when recruiting directors to ensure there is a majority of independent directors on the board.

There will be a preference for between seven and nine Directors holding office at any time, where practicable, unless otherwise determined by the members.

1.2 Role of the Board

All Directors are accountable to the Board and to the general membership in terms of overall governance of the Company and the efficient use of the organisations resources. The Board is also responsible to the various funding bodies for compliance with contractual requirements and expenditure in line with approved budgets.

In making any significant decisions the Board will consider both (i) the strict legal requirements (can we do it?), and (ii) the Company's standards of integrity and behaviour (should we do it?).

The role of the Board is:

- To provide leadership and vision for WHL as an organisation;
- To set the aims, strategies and policies of the organisation and monitor the achievement of those aims, maintaining the line between governance and management;
- To ensure that statements of mission and vision from the strategic plan guide the business planning and monitoring process;

- To approve financial plans and budgets consistent with the business plan and monitor progress on a regular basis;
- To ensure that the organisation has adequate resources for any proposed undertaking;
- To engage and support a competent CEO and enter a professional agreement which provides regular performance appraisal;
- To establish clear limits of authority for individual directors and the CEO;
- To function within the organisation's governance and operational boundaries;
- To ensure regular reporting to funding bodies and other stakeholders;
- To ensure that legal obligations are met;
- To represent and advocate for the health care of the communities in our region;
- To maintain regular liaison with members and other communication as required;
- To seek sufficient information in order to be effective and to understand the issues and assess the risks facing the organisation;
- To understand and adhere to the Board Code of Conduct Policy;
- To attend relevant state or national forums as required; and
- To attend governance training and strategic planning meetings when organised by the Board.

The Board will govern with an emphasis on:

- a) strategic leadership rather than administrative detail;
- b) encouragement of diversity of opinions and views;
- c) collective rather than individual decisions; and
- d) where possible, pro-activity rather than reactivity.

The Board will:

- a) cultivate a sense of group responsibility with a close attention to achieving a high level of governance excellence; and
- b) accept a collective responsibility for all aspects of Board performance including the fulfilment of official roles and the work of committees.

1.3 Role of Individual Directors

All Directors are entitled to be heard at all meetings and should bring an independent judgment to bear in decision-making.

Directors must be prepared and have the capacity and time available, to meet the commitments that come with the role and will be expected to perform in line with the Director Position Description.

Directors are required to have completed, or be prepared to complete, the Australian Institute of Company Director (**AICD**) Company Directors Course (**AICD Course**) and complete the optional course assessment. Any exemption to this requirement is at the absolute discretion of the Board. A Director is required to undertake to attend and /or complete any induction /orientation and ongoing professional development programs designed specifically for the Board, including completing the Foundation in Aboriginal and Torres Strait Islander Cultural Competence training, delivered by the Centre for Cultural Competence Australia as required under the Company's Reconciliation Action Plan.

In individually discharging their duties, each Director serving on the Board must:

- champion a 'tone at the top' and nurture an outcomes-based culture consistent with the Company's values, vision, strategies, and policies;
- act with reasonable care and diligence;
- live the Company's values and model them for others;
- act honestly and fairly in the best interests of the Company and for its purposes;
- not misuse their position or any information they acquire as a Director;
- disclose conflicts of interest;
- ensure that the financial affairs, risks, and compliance obligations of the Company are managed responsibly;
- not allow the Company to operate while it is insolvent;

- attend all Board meetings and Board functions unless there are valid reasons for non-attendance; and
- commit the time necessary to discharge effectively their role as a Director.

1.4 Role of the Board Chair

The Chair is elected by the Directors in accordance with the Constitution and the *Appointment of Wentworth Healthcare Board Chair* procedure.

The Chair's duties include:

- ensuring the Board performs its roles and functions, and pursues continuous improvement;
- establishing and maintaining an effective working relationship with the CEO;
- assisting with the execution of the Board's responsibilities;
- chairing Board meetings efficiently and shaping the agenda in relation to goals, strategy, budget and executive performance, in consultation with the CEO and Company Secretary;
- ensuring Board minutes properly reflect Board decisions;
- in conjunction with the CEO and such other senior executives, reviewing and recommending progress on important initiatives and significant issues facing the Company, and managing key stakeholders;
- dealing with correspondence where appropriate
- managing the evaluation and review of the performance of the Board and its Committees and the performance of individual Directors (other than the Chair);
- managing the business of the Board and presiding over its meetings, resolving differences between Directors and seeing that decisions are reached promptly and with the best possible outcome;
- overseeing the planning and succession of the CEO; and
- promoting the interests of WHL as a whole to the members, governments, stakeholders, consumers other public and private organisations and the public generally.

1.5 Role of the Chief Executive Officer

The CEO is appointed by and accountable to the Board and is responsible for directing and promoting the efficient and effective operation and development of the Company and its culture, consistent with WHL vision, values and objectives.

The CEO is expected to:

- provide leadership of Nepean Blue Mountains PHN and executive team
- appoint the Executive team
- create the strategic plan and objectives in conjunction with the Board
- manage the company's performance, including operational performance
- ensure ongoing financial planning and management
- initiate appropriate business growth and development
- act in accordance with the CEO's position description as determined by the Board
- cultivate healthy stakeholder relations

The Board may confer on the CEO any of the powers exercisable by them on such terms and conditions and with such restrictions as they think fit. They may withdraw or vary any of the powers.

To provide clarity in delineating the roles of the Board and management, the Board has delegated some powers to the CEO and the Executive as set out in the *Delegated Authority Policy*.

1.6 Role of the Company Secretary

The Company Secretary is accountable to the Board, through the Chair, on all governance matters, with all Directors having access to the Company Secretary for advice or assistance on governance matters. The Company Secretary supports the effectiveness of the Board by monitoring that board policy and procedures are followed.

The Company Secretary is responsible for driving and advising on best practice in governance, and execution of the compliance framework to ensure the integrity of the organisation and compliance with all legislative requirements from governing bodies.

2.0 Key Board Functions

2.1 The Board and Strategy

The Board's role in strategic planning includes identifying opportunities, establishing objectives, obtaining resources, managing funds, and assessing risks.

The Company maintains a five-year Strategic Plan set by the Board and the Board reviews the progression of a strategic objectives against key performance indicators at each Board meeting, and holds an annual strategy day to consider the strategic objectives of the Company.

2.2 Compliance

All Directors of the Company operate within:

- A common law and legislative environment;
- Under the *Corporations Act 2001* as applied to a not-for-profit entity, and in accordance with the requirements of the Australian Charities and Not For Profits Commission and within the Constitution of the Company;
- Within the contractual arrangements of the various contracts being undertaken by the Company at the time;
- Within various policies, charters and codes of conduct adopted by the Company.

The Board is committed to maintaining awareness of its obligations under the law, and to do all possible to ensure WHL complies with the spirit of the law. Each Director commits to fulfilling his/her fiduciary duties to act in good faith and with skill and care in their role as Director.

In its governance role, the Board is responsible to ensure that a compliance framework is in place for the conduct of an effective compliance program that ensures that all relevant laws, regulations, industry codes and organisational standards are met. The Board adopts an active approach to promoting a culture of compliance within the Company and recognises that a compliance program is an important element of corporate governance and due diligence.

The Board recognises that legal compliance as encompassed within this policy is an aspect of risk management, but that its own distinct characteristics warrant specific attention.

The CEO is responsible to the Board to ensure development and application of an effective Compliance Program. A Register of Compliance is maintained and reviewed by the Board on a six monthly basis.

2.3 Risk Management

The Company has established an Enterprise-wide Risk Management Framework and process in accordance with the Risk Management Standard (AS/NZS 31000:2018). This has been approved by the Board.

2.4 Policy Framework

The Board has approved Governance Policies which guide its operations. Policies are reviewed according to a review schedule at varying frequencies as set by the Board.

2.5 Stakeholder Engagement

The Board is accountable to members and demonstrates this:

- a) by gathering information about their concerns, needs and aspirations;
- b) by remaining up-to-date in matters concerning their interests; and
- c) by reporting to them on a regular basis on the performance of the Company.

Apart from the members of the Company, stakeholders will include healthcare professionals, Government and funding bodies, community participants, community organisation to name a few. Traditionally, the duty to act in good faith and the best interests of the organisation had been understood as being owed to members as a whole, however as a not-for profit organisation the best interests of WHL cannot be isolated from the interests of its stakeholders and is necessary to protect the Company's reputation and ensure sustainability over the long term.

A Statement of Business Ethics has been developed which sets out the expectations of Wentworth Healthcare and explains the mutual obligations between goods and service providers, contractors and the Company.

2.6 Media Communication

According to the Communications Policy of the Company, the CEO is primary media spokesperson for the organisation. Any requests for an alternate spokesperson to be used must be directed through the Communications team in the first instance, for the CEO's approval. This includes requests for interviews or comments in any publications, television or radio broadcasts.

2.7 Decision Making

The Board will make decisions collectively at a board meeting either as a consent item or by resolution, or by a circular resolution issued and approved by the Directors through the Board Portal and ratified as an "out of session" decision at the next Board meeting.

3.0 Board Processes

3.1 Meetings of Directors

The WHL Board meets at least six (6) times per annum to consider the business of the Company.

Board meetings are held in any location agreed to by the Board and may be held by any approved technology. The CEO and/or managers shall also attend meetings of the Board on request.

Directors are expected to prepare for Board meetings by completing readings and associated tasks related to the work of the Board e.g. Board emails, agendas, meeting notes, discussion papers, program updates, documents uploaded on web-based portals, reports etc.

3.2 Board Meeting Agenda

The Chair in conjunction with the Company Secretary shall develop the Board agenda, taking into account suggestions from other Directors and management and annual Board Work Calendar for recurring agenda items, which are required to come before the Board in any one year.

Every agenda will incorporate standing items which may be dealt with by consent including apologies, conflict of interest declaration, approval of previous meeting minutes, business arising from the previous minutes, CEO reports and budget and performance reports. Agendas will also include strategic, new and other business and an in camera item for discussion in the absence of management.

In exceptional circumstances, Directors may table new business items at the meeting however this is to be kept to a minimum.

3.3 Board Minutes

The Company Secretary will endeavour to ensure that draft minutes are provided to the Chair, and CEO as appropriate, for review through the Board Portal within two working days following the Board/Committee meeting. The Chair shall endeavour to complete their review no later than one week after the meeting. After review by the Chair, and any amendments

having been made, the Company Secretary will circulate the draft minutes to all Directors within two weeks.

Minutes of meetings will form part of the Board's papers for the subsequent Board meeting and will be confirmed at that meeting. Once signed by the Chair, the minutes are regarded as an authoritative and accurate record of the decisions taken.

3.4 Board committees

The Board may establish one or more committees to provide advice and recommendations to the Board on specified matters and in accordance with the Constitution. The Board currently has three standing Board Committees:

- Governance and Nominations Committee
- Finance and Risk Management Committee
- Clinical Governance Committee

Board Committees, Clinical Councils and Advisory Committees, as appropriate:

- a) shall have a Terms of Reference or Role Definition clearly defining their role, life span, procedures and functions, and the boundaries of their authority, reviewed annually;
- b) may co-opt outside members from time to time in order to bring additional skills, experience or networks;
- c) cannot exercise authority over staff nor shall they delegate tasks to any staff unless the CEO has specifically agreed to such delegations;
- d) unless explicitly empowered by the Board, cannot make binding Board decisions or speak for the Board. For the most part the function of Board Committees, Clinical Councils and Advisory Committees, in fulfilling their role, is to make recommendations to the Board; and
- e) shall recommend new, and changes to existing, policies, and review operational matters referred by the CEO.

3.5 Director Communication

The Company communicates with its Directors and Committee members in a variety of ways including by meeting, online portal, telephone and email in accordance with the *Director Communications Policy*.

3.6 Obtaining of Advice by Directors

Directors are entitled to seek independent advice at the Company's expense, subject to the prior approval of the Board.

A copy of the advice received by the Director will be made available to all members of the Board at the same time as the Director who requested the advice.

3.7 Conflicts of Interest

As required by *ACNC Governance Standard 5, section 191 of the Corporations Act, Commonwealth Department of Health Primary Health Networks Conflicts and Related Party Policy* and *the Constitution* of the Company, all Directors have a legal obligation to disclose to all other Directors, any material personal interest which relates to the business of the Company. The company has a *Conflict of Interest and Related Party Transactions Policy* which describes the definition, identification and management of conflicts.

If there is a change to a Director's duty or interests, the Director should notify the Company Secretary as soon as possible, and before the next meeting of the Board. The Company Secretary will maintain the Register of Interests that is available to all Directors in the Board Portal.

4.0 Board Effectiveness

4.1 Director Protection

Indemnification is provided in the *Constitution* and by Director's Indemnity Insurance effected by the Company and renewed on an annual basis.

4.2 Board evaluation

The Board and its Committees will undertake an annual performance evaluation of itself that:

- compares the performance of the Board with the requirements of this Charter; and
- effects any improvements to the Board Charter deemed necessary or desirable.

The performance evaluation will be conducted in such manner as the Chair in consultation with the Board deems appropriate.

The annual performance evaluation will be complemented by an ongoing 'Director evaluation' of each meeting and an external Board performance review as determined by the Board.

4.3 Director Remuneration

Board Directors are paid a stipend which is inclusive of all activities and responsibilities related to their role as a Board Director (non-Chairperson) or Board Director (Chairperson), as defined by the stipend scope and in accordance with the *Director Remuneration Policy*. Remuneration for Directors will be reviewed annually by the Board having regard to the financial ability of the company to support remuneration changes.

The Board will make a recommendation to the Annual General Meeting (AGM) of the Company setting a maximum amount for total annual Board remuneration.

4.4 Director Selection

WHL's *Constitution* outlines the process and requirements for appointment and election of directors to the WHL Board. The *Director Nomination and Recruitment Policy* complements the requirements outlined in the Constitution and sets out the Company's approach to recruitment of Directors for appointment to the Board or for nomination as a potential candidate for Members to consider for election to the Board.

4.5 Director Induction

Potential Directors of the Company are to be provided with adequate information in relation to the Company, appropriate for them to conduct a due diligence of the Company.

All new Directors will be provided with an induction into the affairs of both the Board and the Company in line with the Company's Director Induction procedure and required to sign off on the *Responsibilities & Commitment of a Non-Executive Director* term sheet.

4.6 Director development

The Board recognises that governance is a legitimate cost to the Company and thus will invest in individual Director and board training and development to increase its governance capability and performance:

- a) the Board will make every reasonable effort to facilitate appropriate training for individual Directors and for the Board as a whole to maximise the value-adding contribution to the organisation;
- b) the Board will carry out a review of its performance annually;
- c) to assist it to fulfil its monitoring responsibilities, the Board may engage outside assistance where it deems this necessary; and
- d) all costs associated with governance effectiveness will be prudently incurred, though designed to ensure the development of the highest standard of governance. Financial provision may be made each year for:
 - i.attendance at workshops, seminars or conferences;
 - ii.external audits/performance reviews, training and coaching to improve governance performance; and
 - iii.meeting costs associated with effective communication with members and other key stakeholders as agreed to by the Board.

Directors Code of Conduct

Introduction:

Directors will pursue the highest standards of ethical conduct in carrying out their duties and responsibilities.

The Code of Conduct applies to Directors whenever they are acting in their capacity as an WHL officer however they are encouraged to consider the impact on the Company of their activities when engaged in other activities

Any breaches of this Part should be reported to the Chairperson of the Board or the Chair of the Governance and Nominations Committee.

The annual performance evaluation of the Board and/or individual Directors will include a consideration of compliance with the Code of Conduct.

If Directors need more information or are unsure of WHL's expectations or their obligations under the Code of Conduct please contact the Chairperson or Company Secretary.

1. Directors act in WHL's best interests and value WHL's reputation

Directors should:

- Undertake their duties with appropriate care and diligence in accordance with their legal obligations.
- Deal honestly with WHL's members, customers, suppliers, competitors and any other third parties or business partners.
- Exercise any authorities responsibly and within their limits. Directors are responsible for understanding their authorities, including any relevant limits, and are accountable for how they are used.
- Behave in a way that takes into account WHL's impact on the broader community and the environment in both the short and long term.
- Use all WHL's systems and equipment appropriately and for proper purposes. This includes email, messaging, internet access, and technology and banking systems.
- Not improperly disclose any information about WHL that is not already in the public domain.
- Not put WHL's reputation at risk by inappropriate use of social media

2. Directors act with honesty and integrity

Directors should:

- Observe and demonstrate WHL's values.
- Act honestly and with integrity in all of their dealings for WHL in a way that their honesty is beyond question.
- Not make promises or commitments they know WHL does not intend, or would be unable, to honour.
- Adhere to the truth, and not knowingly mislead directly or indirectly or make false statements or mislead by omission.
- Not use the name of WHL to further any personal or other business transaction.
- Use goods, services and facilities provided to them by WHL strictly in accordance with the terms on which they are provided.

3. Directors treat others with respect and value difference

Directors should:

- Treat all people with whom they deal through their work at WHL with dignity and respect.
- Make appointment decisions based on merit, and not on attributes that are irrelevant to appointment or performance.

- Never unlawfully discriminate, harass or bully anyone in their WHL dealings. This includes being sensitive to behaviour that may be acceptable to them but not to others.

4. Directors respect and maintain privacy and confidentiality

Directors should:

- Ensure that confidential information relating to customers, WHL staff and WHL's operations is not given by them either inadvertently or deliberately to third parties without the consent of WHL.
- Respect the privacy of others.

5. Directors identify conflicts of interest and manage them responsibly

Directors should:

- Not improperly use information obtained by them as a Director of WHL for personal financial gain, nor to obtain financial benefit for any other person or business.
- Fully disclose active private or other business interests promptly and any other matters which may lead to potential or actual conflicts of interest in accordance with such policies that the Directors may adopt from time to time.
- Fully disclose all relationships they have with WHL in accordance with policies on independence that Directors may adopt from time to time. Directors' dealings with WHL should always be at arm's length to avoid the possibility of actual or perceived conflicts of interest.
- Comply with the WHL policies concerning Director's disclosure of interests and the handling of conflicts of interest.
- Be aware that a conflict might arise on a Director's attendance at Advisory and/or Council meetings (as member or otherwise) by reason of the fact that the Director, might have a greater influence on staff than a non-Director attendee due to his or her position as Director and a greater influence on the Board due to his or her position as chair of an advisory group; be conscious of the potential for conflict; be aware that, while all Directors are entitled to attend any meeting of an advisory committee in an ex officio capacity and are encouraged to do so occasionally, Directors should generally not accept positions as chairpersons of advisory groups.

6. Directors do not make or receive improper payments, benefits or gains

Directors should:

- Never accept or offer any improper payment or benefit in connection with their role as an WHL Director.
- Never accept any gift, reward or entertainment, including discounted products, free travel or accommodation, if it could create any obligation or expectation that could conflict with their role as an WHL Director. If in any doubt, Directors should discuss the matter with the Chairperson of the Board or the Company Secretary.
- Never try to improperly influence the outcome of an official decision, for example by offering a payment or benefit that is not legitimately due. Such payments or benefits are unacceptable.
- Not use their status as a Director to seek personal gain from those doing business or seeking to do business with WHL.

8. Directors interactions with WHL staff are appropriate

Directors should:

- Be aware that their position may unduly influence staff and that their views expressed in social situations or in meetings other than Board meetings may carry significant weight with staff because of their position as Director and adversely reflect on the Board.
- Be aware and observe the requirement that all written (including email) Director communication with WHL staff should generally be via or with the knowledge of the Chairperson or the CEO.

- If a complaint is made by a Director against a staff member or by a staff member against a Director, follow the procedure determined by the Board and comply with the directions of the Chairperson.
- Ensure that where a complaint is made by a Director against a staff member or by a staff member against a Director, the procedure determined by the Board and any directions given by the Chairperson observes the principles of confidentiality, impartiality, due process, procedural fairness, freedom from repercussions and timeliness.
- If wishing to make a complaint against a staff member, make their complaint to the Chairperson. (A staff member wishing to make a complaint against a Director is required to do so in accordance with the Company's Grievance Handling Policy).

9. Directors abide by and comply with this Charter, the law and applicable WHL policies and procedures

- Directors are subject to diverse legal responsibilities and should be familiar and comply with all relevant laws and regulations applicable to them. Accordingly, Directors must not take any action, or fail to take any action, that may breach the law or applicable WHL policies, procedures or practices.
- Directors are required to apply for a director identification number (**DIN**) before being appointed and provide the DIN to the Company Secretary.
- Directors must complete all induction and education programs required of them by the Board to build and maintain their awareness and understanding of relevant laws, policies, procedures and practices.
- Directors shall abide by all decisions of the Board.