

# National Mental Health Consumer Organisation<sup>1</sup> Ltd

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## (DRAFT) CORPORATE GOVERNANCE MANUAL

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### ***\*Important Notice***

This Corporate Governance Manual is provided to the Board of the future national mental health consumer organisation for their use in the governance improvement of their organisation. The manual was developed as part of the National Mental Health Consumer Organisation Establishment Project and is based on good governance practices and principles. It can be adapted as required.

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<sup>1</sup> Once confirmed, the Company's legal name will replace the temporary name 'National Mental Health Consumer Organisation' (NMHCO) throughout the Corporate Governance Manual and appendices.

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## 1 PURPOSE OF THIS MANUAL

This manual sets out the principles and practices Company Directors will uphold and implement to fulfil the trust vested in them to protect the National Mental Health Consumer Organisation Ltd (NMHCO) and fulfil its vision.

The Corporate Governance Manual defines the role of the Board and delineates how the Board will carry out its responsibilities. The Corporate Governance Manual and bylaws are the primary governing documents for the NMHCO.

The Corporate Governance Manual is available at each Board meeting and provides guidance for decision making. A copy will be provided to each Board member and revisions will be advised, as appropriate.

Board policies are adopted through a majority vote of the Board. Before adopting any policy, all Board members will receive a copy of the proposed policy in advance of the vote. All policies will be regularly reviewed by the Board for accuracy and appropriateness, and recommendations will be made for amendment, addition, or elimination.

The purposes of the policies are to:

- make clear Board intent, goals, and aspirations
- promote consistency of Board action
- clarify Board members' roles, responsibilities, and commitments.

## 2 INTRODUCTION

*'The new peak needs to have a sense of ownership from all around Australia. It shouldn't be seen as belonging to any one part of Australia or to any one group or one set of organisations. Members need to have a sense of belonging and being able to influence what it says and does' (Consultation participant).<sup>2</sup>*

Consumer leaders have long advocated for human rights approaches to mental health reform, to improve the quality of life for people with lived experience of mental illness. A strong and vibrant national peak will ensure the voices of people with lived experience are heard and acknowledged, facilitating well informed mental health policy reform and practice in Australia.

The *Scoping Study to inform the Establishment of a New Peak National Mental Health Consumer Organisation*<sup>3</sup> was undertaken in 2009-10. In response to the Scoping Study, the Australian Government announced funding for the establishment of a new national mental health consumer peak in July 2011, as part of the 2011-12 Federal Budget Package *Delivering National Mental Health Reform*.

The project to establish the national mental health consumer peak commenced In June 2012. The project was completed in May 2015. The final project products included a suite of

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<sup>2</sup> *Scoping Study to inform the Establishment of a New Peak National Mental Health Consumer Organisation*, available at <https://mhconsumer.org.au/news/resources/scoping-study>.

<sup>3</sup> Ibid

key documents and resources for the future organisation, including the Constitution and this Corporate Governance Manual.

## 2.1 Cultural competency

The NMHCO strives to be a culturally competent organisation that accepts and respects individual differences. Diversity within the organisation provides the NMHCO with a full range of perspectives and contributes to the ability to better meet the needs of the diverse community we serve.

The NMHCO's commitment will be reflected through an environment that values and promotes diversity. The NMHCO will provide quality in all its work respecting diversity. To realise this goal, the NMHCO will train staff to be culturally sensitive, and actively recruit and hire culturally diverse staff. In addition, NMHCO members will nominate Board members who will reflect the diverse community.

## 3 THE COMPANY

### 3.1 Objects<sup>4</sup>

The primary objects for which the Company is established are to:

- (a) promote, influence and facilitate the rights of mental health consumers to enable improvements in mental health, wellbeing and quality of life of all people with lived experience of mental health issues;
- (b) promote and facilitate community education and awareness of mental health issues, including targeted campaigns and initiatives, to improve the mental health and wellbeing of mental health consumers, and all Australians;
- (c) provide national mental health consumer leadership, increase the effectiveness and enhance the long term viability of mental health consumer charities, not-for-profit and other organisations by promoting partnerships and a coordinated approach to improving social inclusion, realising potential and is respectful for people who live with mental health issues;
- (d) promote the needs of all people at risk of mental illness through a systems approach to prevention, treatment/support, recovery and peer lead intervention; and
- (e) provide national leadership on mental health consumer matters.

The Company may achieve the primary objects through (without limitation):

- (a) promoting holistic mentally healthy communities, improving the lives and promoting recovery of mental health consumers;
- (b) developing:
  - i. mechanisms for a strong united, diverse and informed mental health consumer voice to contribute to mental health reform, the highest standards of mental health policy and services, and the rights of all peoples living with mental health issues;

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<sup>4</sup> Clause 3 of the NMHCO constitution.

ii. strategies that respond to the challenges and issues identified by mental health consumers as not having equitable access to mental health services and support, and all people at risk of mental illness, and will be;

- A respectful of human rights
- B focused on social justice
- C culturally relevant
- D universally accessible
- E cost effective

(c) providing mental health consumer centred leadership to influence policy and funding decisions that impact on the quality of mental health programs and services in Australia;

(d) participating, facilitating and contributing to research that impacts on mental health consumers, and is relevant across sectors, inclusive of mental health consumers, uses a social justice and human rights approach, and will lead to better health outcomes;

(e) promoting a positive community understanding of people experiencing mental illness by breaking down stigma, prejudice and discrimination; and

(f) promoting social inclusion and increasing participation of mental health consumers in health policy and service planning.

### 3.2 Structure

The NMHCO is a company limited by guarantee incorporated under the Corporations Act 2001.<sup>5</sup> This is a common structure for a not-for-profit or charitable organisation that reinvests any surplus (profit) to serve its primary purpose.

Limited by guarantee means the members guarantee to pay a fixed but small amount of money in the event of liquidation of the company. The members agree in writing (known as a 'guarantee') to pay a nominal amount to the property of the company. If the company is wound up, the liability of the members is limited to the nominal amount they have guaranteed (in this case \$2).

### 3.3 Taxation Status

The NMHCO is registered as a Health Promotion Charity (HPC) under the Australian Charities and Not-for-profit (ACNC) Act.<sup>6</sup> As a not-for-profit (NFP), any surplus (profit) generated must be put towards advancing the purpose of the NMHCO, and not distributed to members. The primary purpose of a NFP is to pursue its purpose and not the commercial gain of its members.

As a HPC and a registered deductible gift recipient the NMHCO is able to acquire funding through a number of avenues, including taxable donations and government funding.

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<sup>5</sup> The Corporations Act 2001 is available at <https://www.comlaw.gov.au/Series/C2004A00818>.

<sup>6</sup> The ACNC Act is available at [https://www.acnc.gov.au/ACNC/About\\_ACNC/ACNC\\_leg/ACNC/Legal/ACNC\\_leg.aspx](https://www.acnc.gov.au/ACNC/About_ACNC/ACNC_leg/ACNC/Legal/ACNC_leg.aspx).

The NMHCO is also eligible for tax concessions such as the Fringe Benefits Tax Exemption that allows the organisation to provide employees' benefits exempt from FBT.<sup>7</sup> This assists the NMHCO in competing for quality employees whilst containing salary and benefit costs.

To continue to be regarded as a charity, the substance and actuality of the work of the NMHCO needs to continue to reflect its purpose and continue to be real, valuable and accessible to the community.

### 3.4 Membership

The Company is membership based.

Membership is divided into voting and non-voting membership. It is a hybrid voting membership of individuals and organisations. Individual members must have lived experience of mental health issues. Organisational members will be organisations that are governed by, and for, people with lived experience of mental health issues, or are able to demonstrate to the full satisfaction of the NMHCO Board that people with lived experience are meaningfully engaged in their organisation's decision making processes.

Membership criteria are detailed in Clause 5.2 of the NMHCO Constitution.

## 4 PRINCIPLES OF GOOD GOVERNANCE

### 4.1 What is corporate governance?

Corporate governance is based on principles such as conducting all business with integrity and fairness. It is a system of rules, practices and processes by which a company is directed and controlled. Corporate governance essentially involves balancing the interests of many stakeholders in a company; these include its members, management, funding bodies, financiers, government and community. Since corporate governance also provides a framework for achieving the company's objectives, it encompasses every sphere of management, from strategic plans and internal controls to performance measures and corporate disclosure.

### 4.2 What is good governance?

Good governance is about processes for making and implementing decisions. It is not necessarily about making the 'correct' decisions, but about the best possible process for making those decisions. The characteristics of good governance are:

#### ***Accountability***

Accountability is a fundamental requirement of good governance. The Company has an obligation to report, explain and be answerable for the consequences of decisions it has made on behalf of the membership it represents.

#### ***Transparency***

People should be able to follow and understand the decision making process. This means they will be able to clearly see how a decision was made – what information, advice and

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<sup>7</sup> More information is available in the Australian Taxation Office guide *Tax basics for non-profit organisations*, available at <https://www.ato.gov.au/Non-profit/Guides/In-detail/Guides---booklets/Tax-basics/Tax-basics-for-non-profit-organisations/>.

consultation the Board considered, and which legislative requirements (when relevant) were followed.

### ***Legality***

Decisions are consistent with relevant legislation or common law and are within the powers of the Board.

### ***Responsiveness***

The Board should always try to serve the needs of the entire community while balancing competing interests in a timely, appropriate and responsive manner.

### ***Equality and inclusiveness***

A community's sense of wellbeing results from all of its members feeling their interests have been considered by the Board in the decision making process. This means all groups, even the most vulnerable, have an opportunity to participate in the process.

### ***Effective and efficient***

The Board should always make decisions that make best use of available people, resources and time to ensure the best possible results for their community.

### ***Participation***

Anyone affected by or interested in a decision should have the opportunity to give input to the decision making process.

## **4.3 Why is good governance important?**

Fundamentally, there is a level of community confidence associated with a company known to have good corporate governance. Good governance helps ensure a company's activities align with and contribute to achieving the company's purpose. Board members need to be clear about why they are involved, what they are doing and how they will do it. This helps a company stay true to its vision and mission.<sup>8</sup>

## **4.4 The framework for governing the Company**

The Governance Framework guides the governance of the Company and is provided at [Appendix 1](#).

The Board of Directors are responsible, and primarily accountable to the members, for the effective corporate governance of the Company. This means the Board is responsible for directing and controlling the Company, and guiding and monitoring its strategy and business affairs.

The corporate governance of the Company is carried out through the delegations of appropriate authority to the Chief Executive Officer (CEO) and, through the CEO, to management of the Company.

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<sup>8</sup> See also the Australian Charities and Not-for-profits Commission 'Governance for good' resource, available at [https://www.acnc.gov.au/ACNC/Manage/Tools/ACNC/Edu/Tools/GFG/GFG\\_Ch2.aspx](https://www.acnc.gov.au/ACNC/Manage/Tools/ACNC/Edu/Tools/GFG/GFG_Ch2.aspx).



## 5 THE BOARD

The role of the Board is to govern the Company. This requires Company Directors to have the competence and expertise to:

- ensure legal and accountability requirements are fulfilled
- encompass and promote the organisational culture and values
- provide leadership and direction
- ensure the Company's responsiveness to members and stakeholders and exercise collective authority on their behalf.<sup>9</sup>

### 5.1 Governance Role

This Governance Manual provides guidance, policy and procedure in accordance with good governance practice, with sufficient flexibility to adapt to the Company's changing circumstances.

As the Board of a company limited by guarantee under the Corporations Act 2001, the Board is empowered under clause 9.2 of the NMHCO Constitution to exercise every right, power or capacity of the Company.

### 5.2 Fiduciary duties

Directors hold a position of trust. They make decisions that affect the future of the Company. Large amounts of money can be involved with various appointments, grants and contracts, making it vital for directors to act and make decisions that are made in good faith and with the primary duty being to the Company. The community should be confident a director will act in good faith and always in accordance with the law. Directors must never make decisions which benefit themselves as individuals or collectively.

Under the Corporations Act 2001, Directors must:

- not take advantage of their position to further their own need
- be honest and industrious
- never use information gained through their privileged position to advantage a friend/associate outside the Company
- provide adequate information to authorised persons or members when requested and not mislead them in any way
- disclose any potential or actual conflict of interest
- act with care and diligence
- maintain confidentiality of information that is only made available to decision makers
- never knowingly place the Company in a potentially litigious position

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<sup>9</sup> Scoping Study to Inform the Establishment of a New Peak National Mental Health Consumer Organisation (March 2010).

- ensure all decisions made are to the advantage of the Company, not the individual or any particular interest group
- always act according to the constitution of the Company.

### 5.3 Role of the Board

The Board must direct its activities towards the achievement of the objects as set out in the NMHCO Constitution.

The Board's role is to govern rather than manage the day to day operations of the Company. It is responsible for the governance of the Company, including providing strategic direction, establishing goals for management and monitoring achievement of these goals. The powers and duties of the Board are set in the Constitution.

The Board aims to ensure members are informed of all major developments affecting the NMHCO. Key stakeholders of the Company are people with lived experience of mental health issues and organisations, government and non-government, primarily concerned with the health and wellbeing of people with lived experience of mental health issues.

The broader purpose of the NMHCO is to serve the interests of all of its stakeholders, primarily its members. The Board must manage competing interests and regularly manage its performance in this regard, having regard for law and precedent.

The role of the Board is to provide leadership and vision to the Company in enhancing success over time. The Board has adopted the following vision and mission statements:<sup>10</sup>

#### **Vision**

Inspiring hope and improving lives together

#### **Mission**

To inspire hope, improve lives and promote mental health and wellbeing through genuine involvement and cultural change, leadership and advocacy

## 6 THE KEY FUNCTIONS OF THE BOARD

### 6.1 Earning and maintaining trust

Company Directors acknowledge the trust members, stakeholders and staff have placed in them. They are entrusted with pursuing the vision, mission, and primary objects of the Company in a just, fair and safe manner. The nature of the trust-based relationship requires the Board to protect the interests of all these people.

This duty is a moral and ethical one, and is also required by law. This responsibility extends beyond financial and property rights (such as intellectual property), and includes not taking any action for personal gain that would harm other parties.

This fiduciary duty is characterised by good faith, loyalty and trustworthiness.

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<sup>10</sup> These statements were developed by the Consumer Reference Group, in consultation with consumers from across Australia.

Achieving trust requires the Board to maintain a just, open, supportive and rigorous culture, and it models this culture for the Company. This requires Directors to be frank, respectful, thoughtful and courageous within the Board environment. The Company anticipates differences of opinion between Directors be managed through goodwill, and a willingness to respect the opinions of others. Directors are able to disagree with decisions made by the Board, collectively, and have this documented in the minutes of Board meetings. All Directors must publicly support the outcome, regardless of how they voted within the Board meeting.

All Directors are required to have a good grasp of the nature of privacy and confidentiality, within the Company. It requires them to distinguish when commercial and personal information is private, and to maintain confidentiality appropriately. If in doubt, Directors should keep all information confidential. Directors will focus on the implications of the issues that come to the Board.

The second component of achieving trust requires the Board establishment of, and adherence to, policies and procedures that ensure the Company's operations and systems meet statutory and formal accountabilities (e.g. to regulators, funding bodies etc).

Policies and procedures include a system to identify and manage any possible conflict between the interests in personal gain of Directors, the CEO and staff, and interests of the Company as a whole and its stakeholders.

Directors respect the right of members to hold the Board to account, and the Board must be transparent in their relationship with members.

## **6.2 Defining and expressing the Company's purpose and strategic intent**

The Board is responsible for identifying, refining and expressing the overall, long-term goal(s) for the Company and the key limits and boundaries for achieving this.

The Company's intentions are strategically grounded in the way the organisation sees the world; the Board develops the 'character', 'personality' and 'ideology', 'identity'; the shared and collective perspective on the world. The organisation's strategic plan is reflected in the consistency of its action; they are predictably based on the Company's values, and aimed at achieving its vision. This approach to strategy is also informed by the position the Company has in the environment, requiring Directors to:

- diligently appraise the environment for its opportunities and threats
- report this analysis to the Board
- work collectively to refine and change strategic intent over time.

One mechanism the Board will use to achieve this is to maintain regular, effective and authentic communications with its stakeholders.

The Board's strategic plan is to be:

- appropriate to the values, role and capability of the Company

- easily understood by the Board, CEO, members and stakeholders
- feasible
- clear enough to be monitored effectively.

Driving the Company's strategy (operationalising the strategic plan) is a task delegated to the CEO and overseen by the Board. Thus, the Board understands where its role ends, and where the CEO takes up their role.

The Board will undertake an annual cycle for review of the Company's strategic plan and its reformulation in line with environmental opportunities and threats.

### **6.3 Establishing Board, Chief Executive Officer (CEO) and Organisational Parameters**

The Board is responsible for establishing the parameters/boundaries in which the Board, the CEO, and the Company (through the CEO) operates. It respects the role of the CEO.

The Board may appoint a person to the position of CEO for the period and on the terms and conditions the Board sees fit. The Board will encourage and support the CEO.

The Board ensures the parameters/boundaries it has established are documented as Company policy. This involves the Board undertaking such activities as:

- establishing a cycle for review of the Company's work and its plans, and its strengths and weaknesses in the context of the environmental opportunities and threats
- describing and documenting the role of the CEO
- determining the range and extent of authority delegated to the CEO within the constraints of the Company structure (e.g. when the CEO can enter contracts on behalf of the Company, and the level of expenditure the CEO can undertake without further authorisation).
- approving the Company's annual business plan and budget
- (where appropriate) approving actions outside the CEO's realm of delegation
- defining priorities for resource allocation, including financial and human resources, in a way that takes account of competing interests of stakeholders
- defining points at which key organisational activities will cease
- expressing these issues as policy for the Company.

The Board determines the Company's governance policy which includes undertaking activities such as:

- determining who represents the Board in the public domain
- proposing ways Directors will be recognised and rewarded, for consideration by members

- devising ways to ensure sustainable governance and sound succession.

The Company Secretary has a number of statutory and common law responsibilities. Their powers to act on behalf of the Company can also be set out in the constitution and/or other Board delegation documents (such as this Corporate Governance Manual).

## 6.4 Risk Management

The Board articulates the amount and type of risk the Company is willing to take to achieve its strategic objectives and is ultimately responsible for the Company's documented risk management strategy.

The risk management strategy includes the:

- procedures the Company has gone through to review its risk profile
- policies in place to avert identified risks
- measures it will take to cope with the consequences, if the projected risks come to pass.

The development of the strategy may be delegated to staff of the Company.

The Board needs to be satisfied the:

- procedure for identifying risks is adequate;
- policies contain a reasonable balance between cost and risk; and
- Company will be adequately protected if the worst happens.

The Board is responsible for ensuring policies and procedures are carried out and the risk management strategy is regularly reviewed and updated.

The Board will regularly undertake the process of risk identification, assessment, rating, control environment and review to ensure reasonable measures are undertaken to identify and control corporate risks.<sup>11</sup> A Risk Matrix template and example risk management policy are available at [Appendix 2](#).

## 6.5 Monitoring performance

To ensure the Company and its officers<sup>12</sup> comply with legal obligations, the Board monitors organisational performance. The Company Secretary and CEO are responsible to the Board for managing compliance and must report promptly to the Board any material breaches or allegations of breaches.

The Board maintains a direct relationship with the Company's external auditors to ensure integrity in financial reporting. As noted above, a documented risk management framework is regularly monitored, reviewed and updated by the Board (and/or its appropriate sub-

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<sup>11</sup> The risk minimisation and control framework will be developed in accordance with the Australian Standard on risk management – AS/NZS 31000:2009. A fact sheet on the risk management standard is available at: [http://www.finance.gov.au/sites/default/files/COV\\_216905\\_Risk\\_Management\\_Fact\\_Sheet\\_FA3\\_23082010\\_0.pdf](http://www.finance.gov.au/sites/default/files/COV_216905_Risk_Management_Fact_Sheet_FA3_23082010_0.pdf)

<sup>12</sup> An officer in a company limited by guarantee, like NMHCO, is defined by the Corporations Act 2001 as a director or secretary of the company. The Act also refers to others who may make decisions affecting a large part or all of the company, for example the CEO, a liquidator.

committee). The Directors and Company Secretary ensure the Company complies with statutory obligations and adequate avenues exist for people seeking bona fide communication with the Company.

Where necessary, the Board will establish committees in order to provide more detailed attention to organisational activities.

The Board ensures strategic plans (including budgets) for the Company are compatible with the achievement of its vision, and establish a set of agreed performance measures in conjunction with the CEO. The Board must ensure these performance measures are documented appropriately (e.g. in business plans and budgets, and the CEO employment contract) and actively monitors implementation activities and policies against these measures. This process is supported by the receipt and review of regular reports from the CEO.

Regular review of the CEO's performance will be undertaken by the Board; they will provide honest, direct, constructive and timely feedback. A copy of the Company's CEO Performance Evaluation Policy is attached at [Appendix 3](#).

## **6.6 Ensuring Board effectiveness**

The Board Directors will use their skills and expertise (both individually and collectively) in the ways that are most effective in discharging the Board's duties and advancing the objects of the Company.

The Corporate Governance Manual will be updated regularly and as required to ensure it continues to be a clear and comprehensive written statement of the role and responsibilities of the Board.

Directors are provided with a thorough induction to the Company and their role. The Director's Induction Checklist is available at [Appendix 4](#).

Directors are provided with opportunities for continuing development, to ensure they maintain their ability to undertake their role effectively.

The Board undertakes regular evaluations of its governance performance and effectiveness, including reviews of individual Directors and committees of the Board. This process supports the evolution and renewal of the Board to sustain excellent governance over time.

The Board ensures there is clear delineation between Board policy and policy which is the CEO's responsibility to develop and monitor.

## **6.7 Supporting and building the Company**

The Directors' primary purpose is to guide the business and development of the Company, by providing their individual and collective knowledge and experience, and working as a collegiate body.

Directors also add value to the Company as individuals, in a variety of ways. This depends on their background and experience. Ways in which Directors might add value as individuals include providing advice to senior management and suggesting external contacts and sources of information.

Directors are mindful of the distinct roles of management and Directors, and also give due regard to conflicts of interest and ethical standards.

## **6.8 Board Structure**

As a Company governed by and for people with lived experience of mental health issues, the Board structure is comprised of a majority of Directors who have lived experience of mental illness or mental health issues.

As currently defined in the Constitution, the Board will be comprised of:

- a) Three Directors elected by Individual Voting Members
- b) Three Directors elected by Voting Members which are Entities, and
- c) Three Board Appointed Directors.

The number of Directors must be no less than six and no more than nine. The elected Directors must have lived experience of mental health issues. In its work to progress the primary objects of the Company, the Board may identify a skill not currently available through the elected Directors. The Board has the authority to appoint a person with those skills. This person does not need to have lived experience.

An elected Director is elected by members at an Annual General Meeting (AGM). The process for Director election is contained in Section 9 of the Constitution – Elected Directors.

The Director Eligibility and Board Composition Policy is at [Appendix 5](#).

## **6.9 Director Terms**

Director terms of appointment are rotational with a transitional period of three years. Most Directors tend to serve one term of three years, but can be re-elected as a director. Directors can only be disqualified or removed from office according to the guidelines under Clause 9.34 and 9.38 in the Constitution.

Clauses 9.19-9.24 of the NMHCO Constitution provide provisions to ensure there is a clear pathway to transition Directors to a rotational three year directorship from the Company's incorporation.

Details of the process of rotation and transition after the first three years of operation are contained in Clauses 9.25-9.26 – Rotation of Elected Directors after Transitional Period.

## **6.10 Nomination of the inaugural Board**

The Terms of Reference for the Nominations Committee for the appointment of the inaugural Board is attached as [Appendix 6](#). This committee will cease after the inaugural Board is appointed.

## **6.11 Directors' duties**

As a "registered entity" under the Australian Charities and Not-for-profits Commission (ACNC) Act, the Company must ensure Directors (or "responsible persons" as they are referred to in the ACNC Act) comply with the following duties as set out in the ACNC governance standards which are consistent with the requirements of the Corporations Act 2001:

- care and diligence;
- good faith in best interests of the Company, to further its purposes;
- not misuse position;
- not misuse information;
- disclose 'perceived or actual material conflicts of interest; and
- not allow the charity to operate while insolvent.

A Conflict of Interest Management Policy can be found at [Appendix 7](#). This policy has been designed to ensure compliance with the requirements of the Corporations Act 2001 and the ACNC Act. However, in addition to these compliance considerations, the Board agrees the principles and procedures set out in this policy are the appropriate way to manage Directors' interests within the Company.

### 6.11.1 Principles

The principles Directors adhere to in relation to their participation in the work of the Board are as follows:

**Paramount duties to the Company:** The duties of Directors are owed to the company as a whole. Any conflict between these duties and other competing interests and duties of the individual must be resolved in favour of the paramount responsibility to the company;

**Conflict of interest:** A conflict of interest should be considered to exist in circumstances where a competing personal, business or other interest and/or personal, business or other duty of an individual must be managed in such a way that maintains the paramount responsibility of that individual to our Company. Where a Director is in doubt as to whether a conflict exists, the Director should treat the matter as a potential or perceived conflict and raise the issue with the Board in accordance with this policy;

**Transparency:** Confidence in the Board's work is greatly enhanced by ensuring there is transparency and proactive communication about the relevant individual backgrounds<sup>13</sup> of those involved in the Board's discussions and deliberations;

**Consistency:** The confidence of our Company's stakeholders is greatly enhanced by ensuring a consistent approach to the way actual, potential and perceived conflicts of interest are handled within the Board;

**Fairness:** The confidence of those involved in the work of the Board is greatly enhanced by giving individuals the opportunity to consider carefully the extent and context of any particular conflict of interest (actual or perceived) affecting them in order to handle it in a fair and appropriate way in the circumstances;

**Individual responsibility:** Each Director is responsible for protecting both internal and public confidence in the Board and thus ensuring they are aware of, and adhere to, the requirements of this policy; and

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<sup>13</sup> The Corporations Act 2001 requires the annual report of a company limited by guarantee to outline each director's qualifications and experience, as well as their record of attendance at board meetings (s300B).



**Shared responsibility:** Adherence to this policy is also the collective responsibility of the Board and ought to be a matter for open discussion within the Board when there is any question as to the application of this policy to any particular situation.

The Interest Register template is at [Appendix 8](#).

## 6.12 The Role of Individual Directors

The Directors of the Board are, individually and collectively, legally accountable for the Company and its activities. The Corporations Act 2001 requires Directors exercise their powers with appropriate care and diligence with regard to the circumstances, act in good faith, avoid conflicts of interest, and act in the best interest of the Company as a whole.

## 6.13 Director Rights and Responsibilities

Directors must (responsibilities)	Meaning
1. Exercise their powers with appropriate care and diligence that is reasonable in all of the circumstances.	The Corporations Act 2001 has something called the business judgment rule (BJR) which is a safeguard for Directors which will excuse directors from liability in relation to a transaction/action (often referred to as a business judgment) if their decisions are made in good faith, they have no personal interest in the subject matter of the relevant decisions, they appropriately inform and rationally believe the decision is taken in the best interests of the Company. <sup>14</sup>
2. Act honestly, or to put it another way, in good faith, and in the best interests of the Company.	No special consideration should be given to a particular person or interest group or others unless there is general agreement among the members to that effect. (This is both a general law duty as well as statutory duty. A breach of this provision, if taken to court, can result in a Director being fined a significant sum of money or, in serious cases such as dishonest behaviour or fraud, even imprisoned.)
3. Not allow a conflict of duty and interest to arise.	Directors must use the powers vested in them properly and for the best interests of the company. Conflicts can arise not merely because a director chooses to further their own interests at the expense of the company, but also if they favour outside interests at the expense of the general interests of the company.
4. Not misuse their position for their own or a third party's possible advantage unless this course of action is consented by the Board of Directors.	The law will usually require Directors to account for any gain made to them from the relevant authority.
5. Not use information obtained in their capacity as director improperly.	This prohibits the directors from disseminating information to outsiders, unless they are given permission from the Board of Directors to do so. The Company has a Confidentiality Agreement it requires directors to sign. Even where a Director believes they have an obligation to a special interest group, this overriding obligation not to disclose information remains.

<sup>14</sup> The BJR is often used as a director defence but is rarely granted by the courts. The Australian Institute of Company Directors (AICD) has proposed an alternative honest and reasonable director defence for insertion into the Corporations Act 2001. Due to the emerging nature of this issue, the (NMHCO) Board should check the status of the BJR/alternative defence/s prior to endorsing what is currently outlined above re BJR.

Directors must (responsibilities)	Meaning
6. Resolve differences of opinion in a confidential, professional and mature manner.	Any dispute or difference of opinion between Directors should be raised with the Board and debated within the Board. When appropriate and agreed by the Board, such difference can be raised at general meetings for discussion and debated at those meetings.
7. Ensure their statutory obligations are being met.	Includes a duty to: -ensure proper accounts and other records are kept -not to allow the company to trade while insolvent.
8. Participate in Board and Committee meetings.	Directors are expected to come to meetings prepared i.e. reading all meeting papers provided. The law does not excuse non-participation as an excuse for liability.
<b>Directors have the right</b>	
9. To seek information in relation to their company's activities and business dealings.	<p>Any Director may seek information or documentation as they see fit (via the CEO, Chairperson or Company Secretary) and may raise any issue of concern to them.</p> <p>Confidential Company information is provided to Directors on the basis it is kept confidential and will not be disseminated to other parties without permission of the Company.</p> <p>Meeting agendas are prepared by the Company Secretary in consultation with the Chairperson, in line with ACNC Governance Standards. Directors can propose agenda items to the Chairperson or Secretary prior to the agenda distribution (normally one week in advance of the meeting). Alternatively if the agenda has already been distributed, Directors may still nominate new items, at or before the meeting, to be discussed under "Other Business".</p> <p>It is not accepted practice for any individual Director to seek to manage or direct the Company operations via the CEO or Board meetings.</p>
10. To access training, education, and professional support and mentoring related to the effective discharge of their duties and responsibilities as a Company Director.	The CEO is the Board of Directors' link to the operational management of the company. The Board ensures the CEO discharges their duties in an effective, responsible and prudent manner in the collective interests of the Board and company.

Directors must allocate sufficient time to become familiar with and provide oversight of the operations of the Company and to meet their individual accountability to take the positive steps necessary to carry out their duties specified in the Corporations Act 2001.

Except in extenuating circumstances, each Director is expected to comply with the Board's minimum Director contribution expectations, namely:

- Attendance at a minimum of 75% of board meetings (including specially scheduled meetings for strategy and business planning)
- Active involvement in at least one committee of the Board
- Completion of all scheduled board skills training or professional development; and
- Active participation in and contribution to discussions at board meetings.

An individual Director does not have any role within the management of the Company, and is not entitled to give any directions to any employee. However, an individual Director may have a right to company information in order to satisfy themselves. Furthermore, he or she must be able to, on reasonable grounds, form an opinion of employees, and assess reliability and competence.

Additional information about Director's individual responsibilities is included in the Board Charter ([Appendix 9](#)).

### **6.13.1 Compliance**

The Company has processes to ensure vigilant monitoring of compliance with legal responsibilities, including fulfilment of contractual obligations. This process helps the Company to respond in a timely and appropriate manner to continue to comply with existing legal requirements and emerging requirements.

Failure of individual Directors and the Board to comply with legal and legislative requirements carries heavy penalties and may result in legal action and/ or dismissal from the Board and may compromise the future of the Company.

## **6.15 Directors' communication**

The Board is a collegiate body and debate and discussion is to be encouraged. It is important to include all Board members in e-mail discussion which relate to issues before the Board. Public statements on behalf of the Company are only made by the Chairperson and CEO.

## **6.16 Directors' expenses**

Directors will be remunerated for reasonable travelling, accommodation, and other expenses properly incurred by them in attending and returning from meetings of the Board or any of its committee or general meetings or otherwise in the execution of their duties as Directors. These must be approved by the Board in its discretion.<sup>15</sup>

## **6.17 Code of Conduct**

The Company has a Code of Conduct that applies to all Directors and staff. The Code of Conduct provides a framework of ethical principles, obligations and standards that guide work performance, professional standards, and the conduct of relationships with others. The Code does not attempt to provide a detailed and exhaustive list of what should be done in every situation; instead it represents a broad framework for ethical conduct.<sup>16</sup>

<sup>15</sup> The new Board should also give consideration to whether Directors will receive an honorarium / sitting fees for their participation in Board meetings. If Directors are paid, the Company will need to refer to itself as NMHCO Ltd, as it will fail the overarching permission to remove Ltd from its name.

<sup>16</sup> More information about ethics, including guidance on navigating the complexities of ethical issues and dilemmas, is available from The Ethics Centre, <http://www.ethics.org.au/>.

The Code of Conduct can be found in the Operational Policy and Procedures document.

### **6.18 The Role of the Chairperson of the Board**

The leadership of the Company is a responsibility collectively shared by the Board and the CEO. The Chairperson is elected by the Board as their leader. Within the ambit of the role as leader of the Board, the Chairperson ensures the integrity of the Board's processes and, secondarily, represents the Board (and when explicitly authorised to do so, NMHCO) as appropriate to outside parties. Board Delegations and Authorities are at [Appendix 10](#).

Accordingly, the Chair:

- is responsible for ensuring the Board operates effectively, including through chairing meetings to ensure rigour in decision-making through robust discussion and a culture which encourages appropriate questioning and enquiry about all matters put before the Board;
- is empowered to chair board meetings, with all the commonly accepted power of that position (for example, ruling, recognising);
- is responsible for ensuring there is a flow of accurate, timely and relevant information from management to the Board to enable the Board to make well informed decisions;
- develops a close working relationship with the CEO, liaising with the CEO between board meetings to ensure optimum efficiency in the presentation of all recommendations to the Board and for ongoing support, monitoring and mentoring of the CEO on behalf of the Board;
- is responsible for ensuring the Board operates consistently within its own processes and those legitimately imposed upon it from outside the Company;
- is to assure implementation of procedural aspects of governance policies and processes agreed by the Board, except where the Board specifically delegates components of these to others;
- may represent the Board to outside parties in announcing Board-stated positions or otherwise as expressly delegated by the Board from time to time;
- may delegate responsibilities outlined above to the Deputy Chairperson (if appointed) but otherwise only with the prior agreement of the Board, unless the urgency of a situation, as identified by the Chairperson in his or her discretion, demands a delegation; and
- has no authority greater than delegated to him or her by the Board as a whole and so has no added authority to supervise or direct the CEO or other members of management.

### **6.19 The Role of the Company Secretary**

Under sections 204A and 204D of the Corporations Act 2001, the Board is required to appoint a suitably qualified, informed and reliable person to act as Company Secretary.

The Company Secretary has high level corporate governance knowledge and expertise, and is the chief administrator of the company. The Company Secretary provides advice to the Board on best practice corporate governance requirements and practices, director's duties under the law, board reporting and disclosure obligations, listing rule requirements and proper meeting procedure.

Section 188 of the Corporations Act 2001 outlines the personal statutory responsibilities of the Company Secretary. In addition, the NMHCO Company Secretary Position Description outlines additional responsibilities. Full duties and responsibilities of the Company Secretary can be found at [Appendix 11](#).

## 6.20 The Role of the CEO

Clauses 15.1-15.4 of the NMHCO's Constitution state:

The Board may appoint any person to the position of CEO for the period and on the terms and conditions (including as to remuneration) the Board sees fit. The Board may, upon terms and conditions and with any restrictions it sees fit, confer on the CEO any of the powers that the Board can exercise.

The Board may at any time revoke or vary an appointment of, or any of the powers conferred on, the CEO.

If the CEO becomes incapable of acting in that capacity, the Directors may appoint any other person other than a Director to act temporarily as CEO until such time as the position can be filled permanently.

A draft CEO Position Description is at [Appendix 12](#).

## 6.21 Board meetings

According to the Constitution, the Board must meet at least three times a year.

It is good practice for a Board to determine in advance an annual calendar of board and related committee meetings. This should include providing clear guidance to management on scheduled topics, reporting expectations, sequencing and timing. It assists in achieving an even distribution of work over the year.

NMHCO has a charter noting the reporting requirements for a company limited by guarantee registered with the ACNC and a rolling twelve-month calendar of required Board and governance activities.<sup>17</sup> This includes all scheduled Board and committee meetings.

The Board will designate, in advance, scheduled meetings which have strategic focus. This allows for effective discussion of issues such as the strategy, business planning, operational reporting, statutory reporting and electoral cycle of the Company.

The Company's Constitution outlines in section 10 – Board Meetings, all the necessary processes required to convene and conduct a Board meeting.

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<sup>17</sup> Information about ASIC and ACNC reporting requirements and timings, and a template for the annual cycle of Board and Committee meetings are at [Appendix 13](#).

## 7 CONTINUING IMPROVEMENT AND SUPPORT

The Board is committed to continuing development and support for all Directors. This is achieved with the following activities.<sup>18</sup>

### 7.1 Director Induction

Upon joining the Board new Directors are provided with a comprehensive induction including:

- a copy of the Corporate Governance Manual
- a program of visits and briefings
- mentoring availability
- a list of key people to meet.

The Company Secretary is available to provide new Directors with corporate governance information, requirements and practices.

### 7.2 Director Development

The Board is committed to ongoing professional development for all its directors. Maintaining governance excellence is not just about an undertaking by an individual director, rather it is an ongoing commitment by the whole Board to improving its skills, capabilities benefiting from the expertly combined wisdom and experience of the Board as a collective.

Board professional development often includes both technical and behavioural elements. Each director will complete a Director self-assessment tool<sup>19</sup> to assess strengths, highlight areas for further development and guidance on where to next.

A Director professional development plan will be developed by each Director to help strengthen their capability in governance and directorship, and maintain currency. The professional development plan can be informed by the self-assessment. A range of learning opportunities are available to meet individual director learning needs.

A professional development budget is available for each director. The professional development plan will be discussed with the Chairperson and an agreement reached on available training opportunities and associated costs. The Chairperson is responsible for approving all Directors' professional development activities.<sup>20</sup>

#### 7.2.1 Coaching

Coaching is a professional development activity and available to all Directors at their request. It is a structured activity and is scheduled on a regular basis for a set duration. It is short term and focused on specific development issues and achieving specific goals. The aims of coaching for Directors include:

- enhancing leadership effectiveness and performance

<sup>18</sup> The new Board should also give consideration to, and seek further legal advice about, other Board Director support options (e.g. Director Confidants, whole-of-Board governance training, a governance consultant).

<sup>19</sup> The new Board should develop a Director self-assessment tool and a Director professional development plan template depending on need at the time.

<sup>20</sup> The new Board should agree a budgeted figure annually for Directors' professional development activities.

- developing and integrating mindset and behaviours
- focusing on specific requirements needed for the application of capability.

Individual coaching by a service provider with relevant understanding of corporate governance and the role of directors is available to Directors who have identified a need in their professional development plan. Coaching may also be requested by a Director on a needs basis and can be negotiated with the Chairperson.

The Board will select and approve an appropriately skilled and qualified coaching service provider.

### **7.2.2 Mentoring**

The Board as a collective has a wealth of expertise and experience and is committed to mentoring for individual Directors.

Mentoring is available to all Directors at their request and should be discussed with the Chairperson in the first instance.

The mentoring relationship will provide guidance and direction about the business of corporate governance, and provide opportunities to explore a range of scenarios and issues strategically. The aims of mentoring for Directors include:

- being challenged to explore and integrate new perspectives
- receiving guidance on specific business and governance challenges, including strategy and policy.

Each new Director is appointed a Mentor from within the ranks of the Board as part of the initial induction process.<sup>21</sup> The Mentor and new Director will determine the length of the relationship and may vary depending on the expressed need of the new Director. The Company Secretary is also available to provide information to and mentor Directors at their request.

### **7.3 Board Evaluation**

The Board is committed to ongoing improvement in all aspects of its performance and effectiveness. This will be achieved through ongoing and consistent monitoring and evaluation. The Board evaluation process forms a key part of identifying board professional development needs.

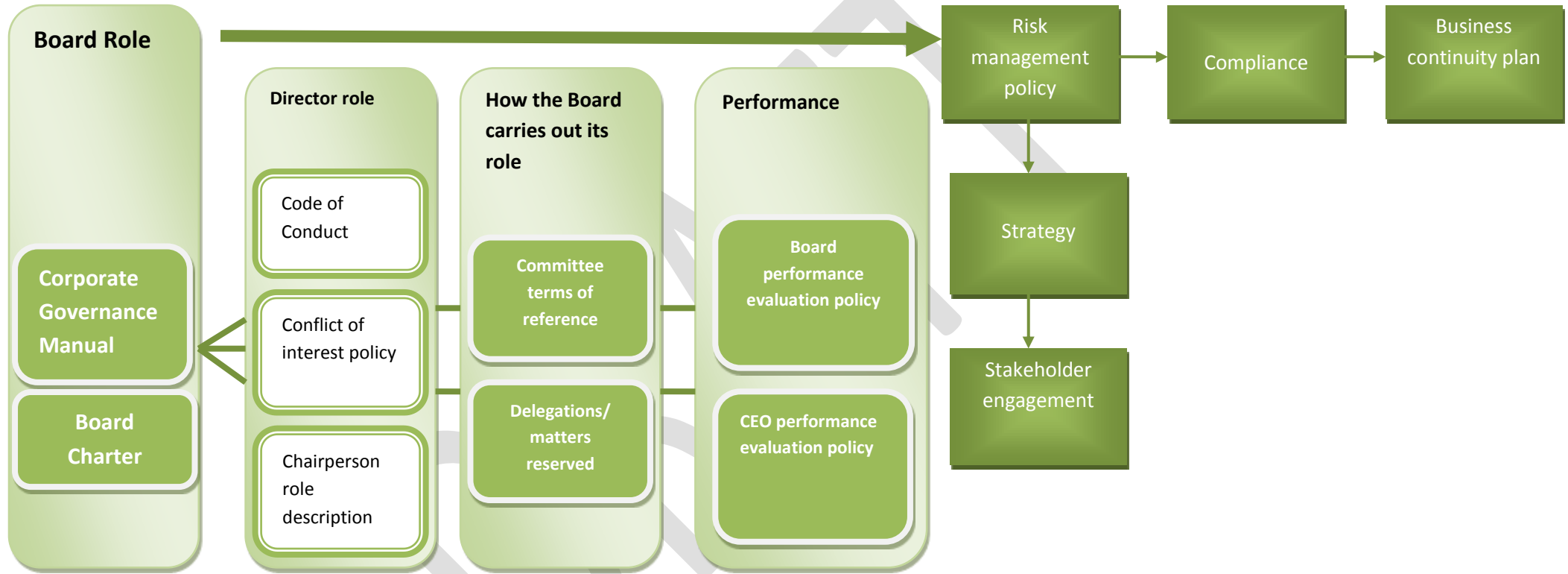
A copy of the Board Performance Evaluation Policy is provided as [Appendix 14](#).

A copy of the Post Board Meeting Survey is provided as [Appendix 15](#).

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<sup>21</sup> The inaugural Board will need to seek mentors from outside the new Board.

# APPENDIX 1 Governance Framework





## APPENDIX 2 Risk matrix template and example risk management policy

	Prospective Consequence if Event Occurs				
Likelihood of Event Occurring	<i>Insignificant</i>	<i>Minor</i>	<i>Moderate</i>	<i>Major</i>	<i>Catastrophic</i>
<i>Almost Certain</i>	Medium	Medium	High	High	Extreme
<i>Likely</i>	Medium	Medium	Medium	High	Extreme
<i>Possible</i>	Low	Medium	Medium	High	High
<i>Unlikely</i>	Low	Low	Medium	Medium	High
<i>Rare</i>	Low	Low	Low	Medium	Medium
LEVEL	ASSESSMENT				
<i>Almost Certain</i>	The event is <u>expected</u> to occur in most circumstances				
<i>Likely</i>	The event will <u>probably</u> occur in most circumstances				
<i>Possible</i>	The event <u>might</u> occur at some time				
<i>Unlikely</i>	The event <u>could</u> occur at some time				
<i>Rare</i>	The event <u>may</u> occur only in exceptional circumstances				
LEVEL	ASSESSMENT				
<i>Insignificant</i>	An event that can be managed under normal circumstances				
<i>Minor</i>	An event where the impact can be absorbed with some management effort				
<i>Moderate</i>	A significant event that can be absorbed with significant management effort				
<i>Major</i>	A critical event that can be endured with extraordinary effort				
<i>Catastrophic</i>	A disastrous event that can lead to major disruption				

<b>Risk</b>	<b>Likelihood</b>	<b>Consequence</b>	<b>Current Risk Rating</b>	<b>Mitigation Strategies</b>	<b>Revised Risk Rating<sup>22</sup></b>
	<i>e.g. Possible</i>	<i>e.g. Major</i>	<i>e.g. Medium</i>		

<sup>22</sup> If mitigation strategies are successful

# Policy Bank



## Risk Management Policy

Policy number	<<insert number>>	Version	<<insert number>>
Drafted by	<<insert name>>	Approved by Board on	<<insert date>>
Responsible person	<<insert name>>	Scheduled review date	<<insert date>>

**Please note that this is a template policy for guidance only. For assistance in tailoring this policy to suit your organisation, or for legal advice at a pre-agreed price or training in this area, please do not hesitate to contact Moores to discuss how we can meet your needs. Please call the NFP-Assist Legal Hotline on (03) 9843 0418 or email to [NFPAssist@moores.com.au](mailto:NFPAssist@moores.com.au).**

### INTRODUCTION

[Name of organisation] will endeavor to minimise the risk any particular operation poses to our organisation, our staff, our volunteers, our clients, or the general public.

### PURPOSE

The purpose of this document is to identify applicable risks and to enable risk management procedures to be satisfactorily identified, organised and maintained.

### DEFINITIONS

“**Risk**” is the probability that an occasion will arise that presents a danger to our organisation, our staff, our volunteers, our clients, or the general public. It includes, but is not limited to,

- Physical hazards
- Financial hazards
- Reputational hazards
- Legal hazards

### POLICY

[Name of organisation] has a duty to provide a safe workplace for its staff and volunteers, a safe environment for its clients, and a reliable development path for the organisation.

[Name of organisation] will put procedures in place that will as far as possible ensure that risks are minimised and their consequences averted.

**Policies** can be established or altered only by the Board: **Procedures** may be altered by the CEO.

DISCLAIMER: While all care has been taken in the preparation of this material, no responsibility is accepted by the author(s) or Our Community, its staff, volunteers or partners, for any errors, omissions or inaccuracies. The material provided in this resource has been prepared to provide general information only. It is not intended to be relied upon or be a substitute for legal or other professional advice. No responsibility can be accepted by the author(s) or Our Community or its partners for any known or unknown consequences that may result from reliance on any information provided in this publication.

## **AUTHORISATION**

<Signature of Board Secretary>

<Date of approval by the Board>

<Name of organisation>

DRAFT

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# Policy Bank



## Risk Management Procedures

Procedures number	<<insert number>>	Version	<<insert number>>
Drafted by	<<insert name>>	Approved by CEO on	<<insert date>>
Responsible person	<<insert name>>	Scheduled review date	<<insert date>>

### RESPONSIBILITIES

It is the responsibility of the Board, with the assistance of the CEO and the Risk Management Officer, to carry out risk management analyses of the organisation, and to take appropriate measures.

It is the responsibility of the CEO to ensure that:

- a Risk Management Officer for the organisation is nominated;
- effective risk management procedures are in place, applicable to all relevant areas;
- risk management procedures are reviewed regularly;
- recommendations arising out of the risk management process are evaluated and, if necessary, implemented; and
- employees and volunteers are aware of all applicable risks and familiar with the organisation's risk management procedures.

It is the responsibility of the Risk Management Officer to ensure that:

- risk management analyses are carried out for all relevant sectors of the organisation;
- risk management checklists are prepared for each relevant section;
- risk management checklists are reviewed regularly by relevant staff with the assistance of the Risk Management Officer to ensure that no risks have been overlooked or have ceased to be relevant;
- each risk management checklist is reviewed by every section to which it is applicable at least once a year to ensure that procedures are in place to avert the risk or, if that is not possible, to mitigate its impact; and
- copies of up-to-date risk management checklists are kept in a central Risk Management Register.

It is the responsibility of all employees and volunteers to ensure that:

- they are familiar with the organisation's risk management procedures applicable to their section;
- they observe those risk management procedures; and

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- they inform their supervisor if they become aware of any risk not covered by existing procedures.

## PROCEDURES

### Managing Risk

The Risk Management Officer shall nominate appropriate officers in each section of the organisation to carry out risk assessment exercises; this should involve:

- identifying the risks attached to every element of their operation and the likelihood of that risk eventuating (see [Our Community's Risk Management Helpsheets](#));
- identifying practices to avert those risks;
- identifying practices to mitigate the effects of those risks; and
- recording those risks, those precautions and those remedies in the form of deliverable checklists.

The Risk Management Officer shall participate in each section's risk management exercise to ensure consistency of approach.

### Risk Management Checklists

The Risk Management Officer will ensure that

- each section of the organisation has available to it all relevant risk management checklists;
- each risk management checklist is reviewed by the organisation at least once a year to ensure that no risks have been overlooked;
- each risk management checklist is reviewed by every section to which it is applicable at least once a year to ensure that procedures are in place to avert the risk or, if that is not possible, to mitigate its impact; and
- a current copy of each risk management checklist is held centrally in the organisation's Risk Management Register.

## RELATED DOCUMENTS

- [Our Community's Risk Management help sheets & checklists](#)

## AUTHORISATION

<Signature of CEO>

<Name of CEO>

<Date>

**Policies** can be established or altered only by the Board: **Procedures** may be altered by the CEO.

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## APPENDIX 3 CEO Performance Evaluation Policy

Date adopted/last reviewed: [date]

### 1. Introduction

The Board of [NMHCO] has adopted a Corporate Governance Manual by which it undertakes to regularly review, amongst other things, the performance of the CEO. This policy expresses the Board's policy for review of the CEO's performance.

### 2. Aim

It is the aim of this policy to:

- (a) ensure certainty for the CEO of the expectations the Board places on the CEO, with a view to better supporting the CEO in his/her role; and
- (b) assist the Board in its role of monitoring performance of [NMHCO] and its associated accountability to Stakeholders.

### 3. Policy

#### 3.1 There will be:

- (a) formal annual reviews of the CEO's performance, conducted in, or as close as possible to, [month] of each year; and
- (b) interim informal 6-monthly reviews of the CEO's performance conducted in, or as close as possible to, [month] of each year.

#### 3.2 The annual review will include the following steps:

- (a) The Chairperson of the Board will be responsible to commence the annual process in [month] of each year, by requesting feedback from the Board as to which members of the senior management team, staff or other stakeholders should be included in the review process and in what manner;
- (b) Each Director will be invited to provide written or verbal comments to the Chairperson as the performance of the CEO against the CEO's then current role description and key performance indicators (key performance indicators should be agreed by the Board and CEO out of the previous annual performance review or at commencement of employment);
- (c) The CEO will be requested to provide a full written report to the Chairperson of the Board setting out how the CEO believes they have performed against their current role description and key performance indicators;
- (d) The Chairperson or his/her nominated other Director will interview those people which the Board has directed be included, if any, in the performance review process for the CEO;
- (e) The Chairperson and one other Director shall then meet with the CEO, to:

- (i) discuss all matters (positive or negative) raised by the feedback received and the CEO's report;
- (ii) give useful feedback to the CEO as to the Board's expectations of the CEO and the ways in which those expectations have been met, exceeded or not met and how the CEO's performance can be improved in the view of the Board;
- (iii) identify any areas where professional development may assist the CEO in the performance of his/her role; and
- (v) discuss and agree with the CEO any amendments which may appear to be required to be made to the CEO's then current role description, for submission to the Board for approval at the next board meeting.
- (f) The Chairperson shall report fully to the Board (verbally or in writing) at its next meeting as to matters discussed with the CEO. The full Board will discuss and agree, in consultation with the CEO, key performance indicators for the CEO for the following year, having regard to the then strategic priorities and objects of [NMHCO].

3.3 The interim 6-monthly reviews of the CEO's performance shall be conducted by the Chairperson in such a way as the Chairperson and the CEO agree, in order to:

- (a) give the CEO regular and useful feedback of relevance to preparing for the annual review;
- (b) inform the CEO of issues of concern which the Board may wish the CEO to address in preparation for the full review; and
- (c) give the CEO an opportunity to give feedback to the Board of issues of concern which the CEO may have, such as any resourcing or other factors which are inhibiting performance and which are beyond the power of the CEO to influence.

#### 4. Policy Review

This policy will be reviewed by the Board, in consultation with the CEO, at least every 3 years and updated if appropriate



## APPENDIX 4 Director's Induction Checklist

The induction should ensure new Directors are suitably prepared to fulfil their required governance role.

<b>Director has:</b>	
Received a letter of engagement that sets out their role and responsibilities and Corporate Governance Manual	<input type="checkbox"/>
Been allocated a mentor to help guide them in their first few months on the board	<input type="checkbox"/>
Received and read information about the Director's fiduciary obligations	<input type="checkbox"/>
Signed a confidentiality agreement	<input type="checkbox"/>
Completed the conflict of interest register	<input type="checkbox"/>
Received information about any applicable legislation, particularly the required role of the Board	<input type="checkbox"/>
Received information about the Company, including: <ul style="list-style-type: none"> <li>• Constitution</li> <li>• Purpose of the Company</li> <li>• Glossary of common terms and acronyms</li> <li>• Company structure and resources</li> <li>• Role of key stakeholders</li> <li>• Details of strategic planning</li> <li>• Overview of what the Company's core operations are</li> <li>• Reporting requirements</li> <li>• Compliance obligations</li> </ul>	<input type="checkbox"/>
Received information about the Company's strategic environment: <ul style="list-style-type: none"> <li>• Information about the mental health sector</li> <li>• Information about the consumer sector</li> <li>• Recent trends and potential issues over the coming months</li> </ul>	<input type="checkbox"/>
Received information about the Board: <ul style="list-style-type: none"> <li>• Role of the Board (review and discuss letter of engagement and Corporate Governance Manual)</li> <li>• Board structure (including committees)</li> <li>• Board procedures (including claiming travel and out-of-pocket expenses)</li> <li>• Minutes from any Board meetings</li> <li>• Code of Ethics and Conduct</li> <li>• Confidentiality</li> <li>• Procedures for managing conflicts of interests</li> <li>• Board evaluation process</li> <li>• Board annual calendar of activities</li> <li>• Information about other Directors</li> </ul>	<input type="checkbox"/>
Received information about the role of management	<input type="checkbox"/>
Met staff	<input type="checkbox"/>
Been taken on a tour of the Company's offices	<input type="checkbox"/>
Been asked to comment on their induction process	<input type="checkbox"/>
Checked all contact details are correct	<input type="checkbox"/>

I, \_\_\_\_\_ have received induction training

(Director's name)

by \_\_\_\_\_ on \_\_\_\_\_

(Trainer's name)

(date)

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## APPENDIX 5 Director Eligibility and Board Composition Policy

### Director Eligibility and Board Composition, and Independent Nominations Committee Policy

As per clause 9.7 of the NMHCO Ltd Constitution, this policy outlines the Company's policy on Director Eligibility and Board composition, and the Independent Nominations Committee.

#### 1. Director Eligibility Criteria

1.1 It is a requirement that candidates for the Board comply with the following Director eligibility criteria,<sup>23</sup> namely that each person:

- a) is not an employee of the Company or any related entity employing staff of the Company; or
- b) one of the following applies:
  - i) the person must not have served the Maximum Term as a director; or
  - ii) in the case of a person who has already served the Maximum Term as a Director, at least three years has elapsed since the person's last term of office; and
  - iii) the person is not ineligible under the Act, under the NMHCO Constitution or otherwise at law for appointment to the Board.

1.2 In addition, the individual eligibility criteria for each person for election or appointment as a Director will include:

- a) sound understanding of the role and purpose of the Company;
- b) sound understanding of the governance role, operation, legal duties and functions of boards;
- c) sound ability to read and understand financial statements of the kind used within the Company for the purposes of board reporting;
- d) breadth of interest and expertise relevant to the role and purpose of the Company;
- e) sufficient time and flexibility to contribute fully to the Board's role and purpose;
- f) completed conflict of interest declaration form (format from time to time approved by the Board); and
- g) written affirmation the person does not have any conflict of interest which would hinder, or be reasonably likely to hinder, the person's ability to exercise independent judgment in decision-making as a Director.<sup>24</sup>

1.3 The Board may waive the eligibility criteria set out in paragraph 1.1(b)(i) and (ii) in exceptional circumstances.

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<sup>23</sup> Clause 9.10, (NMHCO) Constitution

<sup>24</sup> It is important to ensure this is a criterion on the Board nomination form and signed.

## **2. Board Composition Requirements**

2.1 The Board shall comprise:<sup>25</sup>

- a) three Directors elected by Individual Voting Members;
- b) three Directors elected by Voting Members which are Entities; and
- c) three Board Appointed Directors<sup>26</sup>.

2.2 The six Directors elected by Individual Voting Members and Voting Members which are Entities must have lived experience as a Mental Health Consumer or identify as a Mental Health Consumer.<sup>27</sup>

2.3 The Board must, as a collective, have Directors with appropriate skills and expertise or the ability to develop and maintain such skills and expertise as is required to govern the Company.<sup>28</sup> This may include:

- a) at least one Director who has strong financial skills and at least five years experience in a financial advisory or management role;
- b) at least one Director who has at least five years business experience, particularly in a national not for profit;
- c) a majority of Directors with a strong understanding of local and national mental health consumer and mental health policy issues;
- d) a majority of Directors who have connections with communities of mental health consumers;
- e) at least one Director who has strong fundraising, communications or marketing experience.

## **3. Independent Nominations Committee<sup>29</sup>**

### **Role**

3.1 The Independent Nominations Committee shall:

- a) develop and review the Board's policy on Director Eligibility and Board Composition;
- b) determine eligibility of candidates;<sup>30</sup> and
- c) consider desired competencies for the Board, challenges and opportunities facing the Company, and leadership needs of the Company.<sup>31</sup>

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<sup>25</sup> Clause 9.6, NMHCO Constitution

<sup>26</sup> See clause 9.28, NMHCO Constitution

<sup>27</sup> Clause 9.9(a), NMHCO Constitution

<sup>28</sup> Clause 9.9(b), NMHCO Constitution

<sup>29</sup> Clauses 9.11-9.15, NMHCO Constitution

<sup>30</sup> Clause 9.12 (a), NMHCO Constitution

<sup>31</sup> Clause 9.12 (b), NMHCO Constitution

## Composition

- 3.2 The Board must appoint an Independent Nominations Committee within six months after each AGM.
- 3.3 The Nominations Committee will comprise three people, made up of:
- a) the Chairperson of the Board, or a Director appointed by the Chairperson;
  - b) at least two people who must not be, or have been during the previous 12 months, Directors of the Company.
- 3.4 The chairperson of the Nominations Committee must be a person under paragraph 3.3(a).
- 3.5 A person shall only be eligible for appointment to, and membership of, the Independent Nominations Committee, if the person:<sup>32</sup>
- a) has at least five years cumulative experience as a member of more than one board of directors of companies or associations established under the *Act* or the various State and Territory legislation providing for the incorporation of not-for-profit entities respectively;
  - b) is not at the relevant time a director, officer or employee of a Voting Member;
  - c) is not a candidate being considered by the Independent Nominations Committee for election (or re-election) or appointment (or re-appointment) to the Board;
  - d) is not and has not been during the previous 12 month period an employee of the Company; and
  - e) has not at the relevant time been a member of the Independent Nominations Committee for more than five years.

## Process

- 3.6 Each candidate must, on request and in a timely fashion, provide such materials to the members of the Independent Nominations Committee as the Committee requires to carry out its responsibilities.
- 3.7 The Nominations Committee may meet with each of the shortlisted candidates prior to forming its view regarding the eligibility of a candidate.
- 3.8 If the Independent Nominations Committee cannot agree on its recommendations by consensus then a majority decision is sufficient.
- 3.9 The Independent Nominations Committee must give prompt written notice:
- a) to the Board of the results of all assessments relating to candidates' eligibility;
  - b) to each candidate of the outcome of the assessment relating to that candidate's eligibility; and

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<sup>32</sup> Clause 9.15, NMHCO Constitution

c) to all Members of the names of all candidates for election as Directors who have been determined to be eligible,

but the Nominations Committee is not required to provide any reasons for its decisions.

DRAFT

## APPENDIX 6 Terms of Reference for the Nomination Committee of the Inaugural Board

This is a template terms of reference, based on a version drafted by the governance expert with input from the CRG and Mental Health Australia. The original version was approved by the Mental Health Australia Board in November 2013, when it was anticipated the NMHCO Board would be recruited during the NMHCO Establishment Project. The template assumes there is an initial auspice body for the NMHCO, and can be adapted as required.

### 1. Purpose and Objectives

- 1.1 The Nomination Committee (**Committee**) is to recommend the appointments to the inaugural National Mental Health Consumer Organisation (**NMHCO**) board to optimise the composition of the NMHCO board (**Board**).
- 1.2 The Committee shall make a recommendation to [the auspice body], as to the composition of NMHCO's inaugural Board.
- 1.3 The appointment of the Committee comprises part of a formal, rigorous and transparent procedure for the appointment of Directors to the Board. The Committee's guiding principle is to choose the best candidate to fill the Board vacancies. However, in so doing, it shall endeavour to seek a balance between the personal and professional qualifications of a candidate and other matters of balance for the Board.

### 2. Role and Responsibilities

To achieve the Committee's general objectives, the Committee's specific responsibilities and functions are:

- 2.1 To be responsible for identifying and recommending candidates to fill the Board;
- 2.2 Before recommendation of the inaugural Board to [the auspice body] is made, to evaluate the balance of skills, knowledge and experience of each of the candidates and in identifying suitable candidates the Committee shall consider:
  - (a) using open advertising or the services of external advisers;
  - (b) candidates from a wide range of backgrounds; and
  - (c) candidates on merit and against objective criteria, taking care that those prospective appointees have enough time available to devote to the position;
- 2.3 To give full consideration to the brief provided to it by [the auspice body] which shall include:
  - (a) the independence requirements of the Board (see below);
  - (b) the desired competencies for the Board;

- (c) the challenges and opportunities facing the Company; and
- (d) the leadership needs of the Company, with a view to ensuring the ability of Company to achieve its mission and creating a sustainable future for the Company.

2.4 In this terms of reference, **independence** means a person who is not an employee of [the auspice body] or any related entity employing staff of [the auspice body].

2.5 To ensure that on appointment to the Board, Directors receive a formal letter of appointment setting out clearly what is expected of them in terms of time commitment, committee service and involvement outside board meetings.

2.6 To ensure that unsuccessful candidates are notified in writing.<sup>33</sup>

The Board appointed by [the auspice body] shall be the first Directors listed on the application to incorporate the NMHCO (by whatever name it shall be called), at which point in time the role of the Committee shall cease.

### **3. Membership**

#### *3.1 Composition*

[the auspice body] shall appoint the Committee. The Committee shall comprise a minimum of three appointees.

#### *3.2 Nomination to Committee*

Subject to 3.1, the persons filling the positions on the Committee are nominated, and can be removed, from time to time by the [the auspice body].

#### *3.3 Chair*

[the auspice body] may nominate a Chair of the meetings of the Committee and determine the period for which he/she is to hold office. If no such Chair has been appointed, the Committee may choose one of their number to be Chair. If at any meeting the Chair is not present within ten minutes after the time appointed for the holding of same, the Committee members present may choose one of their number to chair the meeting.

#### *3.4 Attendance at meetings*

Only members of the Committee have the right to attend Committee meetings.

#### *3.5 Invitees*

Subject to appropriate measures being taken to protect confidential information of our Company, the Committee may invite such other persons with appropriate qualifications, expertise and skills to attend Committee meetings or for certain agenda items as it regards appropriate.

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<sup>33</sup> Application documents should make clear details of decisions will not be provided i.e. result only, not rationale. Board recruitment documents are included in the suite of key documents for the new organisation.



### 3.6 *Term of appointment*

Appointments to the Committee shall be for a period as is required to fulfil the Committee's roles and responsibilities under this terms of reference but shall not be longer than a period of 6 months.

### 3.7 *Remuneration*

Remuneration of the Committee shall be set by [the auspice body].

## **4. Authority**

4.1 The Committee has the power to recommend the inaugural Board of the NMHCO to [the auspice body], who shall appoint the Board.

4.2 The Committee does not have any other decision-making power, unless expressly delegated to it by the [the auspice body] for a specific decision/s. In absence of express delegation in respect of a decision or matter, the Committee only has power to make recommendations to [the auspice body].

4.3 The Committee may, upon approval of [the auspice body], seek any information or obtain any independent professional advice it considers necessary to fulfil its responsibilities.

4.4 The Committee is authorised to require the provision of such information and access to such representatives from [the auspice body], if any, as it requires to discharge its responsibilities.

## **5. Frequency of meetings**

5.1 The Committee will meet as necessary to consider proposals for Board appointments and other matters within the scope of these terms of reference.

5.2 The timing and agenda of the meetings shall be the responsibility of the Committee Chair, subject wherever practicable to the wishes of the Committee members.

## **6. Notice of meetings**

6.1 Meetings of the Committee shall be called by at least five working days' written notice unless all members of the Committee agree to shorter notice.

6.2 Notice of each meeting confirming the date, venue and time, together with an agenda of items and relevant papers to be discussed shall be formally provided, in writing, to each member of the Committee, other than in special circumstances, at least three working days prior to the meeting.

6.3 Members may participate in a meeting by means of a conference telephone, video conferencing facility or other similar communicating equipment.

## **7. Quorum**

The quorum necessary for the transaction of business shall be two appointees. A duly convened meeting of the Committee at which a quorum is present shall be competent

to exercise all or any of the authorities, powers and discretions vested in or exercisable by the Committee.

## **8. Secretary**

The secretary shall be a staff member of [the auspice body]. The secretary shall minute the proceedings and resolutions of all Committee meetings as well as keep appropriate records. Minutes of the meetings shall be circulated promptly to all members of the Committee and, once agreed as to the contents of the minutes, to [the auspice body], unless a conflict of interest arises.

## **9. Conflicts of interest**

Members of the Committee must declare any conflict of interest in any matter under discussion. The conflict must be recorded in the minutes of the Committee. No person may sit on the Committee if he or she is seeking appointment to the inaugural Board.

## **10. Decisions of the Committee**

Any decisions of the Committee shall be taken on a simple majority basis.

## **11. Reporting**

11.1 The Committee shall report to [the auspice body] in writing, at least at the following intervals:

- (a) when a call for candidates is to be made (with provision of detail regarding the calling of candidates);
- (b) upon short-listing of candidates;
- (c) prior to appointment of the Board; and
- (d) upon appointment of the Board to confirm compliance with, inter alia, paragraph 2.5 of this terms of reference.

11.2 The Chair of the Committee will report to [the auspice body] on any matter requiring priority attention.

## **12. Procedure**

Where these Terms of Reference are silent, the Committee shall comply with the same protocols and procedures for the operation of its meetings as does [the auspice body] Board, including the keeping of minutes of its meetings.

## **13. Approval of Terms of Reference**

13.1 These Terms of Reference require approval by the [the auspice body] Board.

The date of approval of these Terms of Reference is [to be inserted].

## 1. Policy Objectives

- 1.1. The overarching objectives of this policy are to encourage and maintain:
  - a high level of functionality within the Board; and
  - the confidence of the members (and other stakeholders) in the Board's work.
- 1.2. Specifically, this policy aims to achieve the overarching objectives by achieving a balance between:
  - Directors being encouraged to bring to Board discussions and deliberations the benefit of their individual backgrounds (in terms of their professional involvements, skills, experience and interests); and
  - careful, consistent and transparent management of the potential for the individual backgrounds of Directors to lead to damaging conflicts of interest, whether actual or perceived.
- 1.3. This policy aims to provide Directors with a clear understanding of the principles to apply and the procedures to follow in relation to the management of conflicts of interest.

## 2. Conflict of Interest Policy and Principles

### 2.1. Policy Statement

All Directors are expected to:

- contribute fully and frankly to the discussions and work of the Board, drawing on their individual backgrounds, including their professional involvements, skills, experience and interests; and
- strive to avoid actual conflicts of interest and the perception, whether founded or not, of conflicts of interest which may arise as a result of some aspect of their individual background conflicting, or being perceived to conflict, with their work for or within the Board.

### 2.2. Directors' Duties

[NMHCO] is a company limited by guarantee, incorporated under the *Corporations Act 2001 (Act)* and is also a registered entity under the Australian Charities and Not-for-profit Commission Act 2012 (**ACNC Act**).

As a "registered entity" under the ACNC Act, the Company must ensure that the Directors (or "responsible entities" as they are referred to in the ACNC Act) comply with the following duties as set out in the ACNC governance standards:

- care and diligence;
- good faith in best interests of the Company, to further its purposes;
- not misuse position;
- not misuse information;
- disclose 'perceived or actual material conflicts of interest; and

- not to allow the charity to operate while insolvent.

Directors are also subject to the Directors' duties set out in the Act, including the duties:

- to exercise due care and diligence;
- to act in good faith in the best interests of the company and for a proper purpose;
- not to use improperly their position or information obtained in their position; and
- to disclose all material personal interests in matters that relate to the affairs of the company.

The Directors are also subject to fiduciary duties (see Director Code of Conduct), which are reflected in the duties listed above and specifically include a duty to avoid conflicts of interest.

This policy has been designed to ensure compliance with the requirements of the Act and the ACNC Act. However, in addition to these compliance considerations, the Board agrees that the principles and procedures set out in this policy are the appropriate way to manage Directors' interests.

### **3. Protocol: Policy and Principles in Practice**

#### **3.1. Copy of Policy**

Each Director must, promptly after being appointed, be provided with a copy of this policy.

Each Director must, promptly after being appointed, sign a confirmation of their commitment to adhere to the spirit as well as the letter of this policy, in the form at Appendix 8.

#### **3.2. Interests Register**

Our Company must maintain an Interests Register, to record all declared interests of Directors.

Each Director must

- promptly after being appointed to the Board;
- at least annually thereafter; and
- at any time during their term of office that a new relevant material interest or relationship arises;

complete and provide to our Company an Interest Register form (Appendix 8), notifying all relevant material interests and relationships which give rise to an actual conflict of interest or which might reasonably be expected to give rise to a conflict of interest (i.e. a potential conflict of interest)

Each Director has an ongoing obligation during their term of office to notify all other Directors of relevant material interests or relationships as they arise, where the Director considers that they may reasonably be expected to result in a conflict of interest. The Director may do this by tabling the Interests Declaration at the next Board meeting.

The Board Secretariat must inform all new Directors of the Interest Declarations made by all current Directors as soon as practicable after their appointment.

### **3.3. At meetings**

Each Board meeting has a standing item on the agenda, prompting Directors to consider and declare conflicts of interest (including potential or perceived conflicts of interest) as they arise.

Directors must promptly declare all relevant interests at all Board meetings at which any matter to which the relevant interest relates is to be discussed.

At a Board meeting at which a Director declares, or is identified by the meeting as having, a conflict of interest, the Director who declared, or is identified by the meeting as having, a conflict of interest (the **conflicted Director**) in relation to a matter must not:

- be present whilst the matter is being considered at the meeting; or
- vote on the matter.

The Board may determine how best to manage a declared or identified conflict of interest (including a potential or perceived conflict of interest), depending on its nature and extent. This may include deciding (in the absence of the conflicted Director) that the conflicted Director may do any or all of the following:

- be present whilst the matter is being considered at the meeting;
- take part in discussion of the matter at the meeting; and
- vote on the matter.

A Director who declares or is identified by the meeting as having a conflict of interest must abide by the will of the meeting expressed, if necessary, by way of an ordinary resolution of the meeting (excluding the vote of the conflicted Director).

The minutes of any board meeting at which a Director declares, or is identified by the meeting as having, a conflict of interest must record the declaration and the manner in which the conflict was managed.

### **3.4. Between meetings**

If a Director is concerned about the existence, or potential existence, of a conflict of interest in relation to another Director which has not been declared, the concerned Director should discuss the matter in confidence with the Chairperson (or the Deputy Chairperson or Company Secretary where it involves the Chairperson). The Chairperson (or the Deputy Chairperson or Company Secretary as the case may be), should then discuss the matter with the relevant conflicted (or potentially conflicted) Director to determine how the matter should best be handled.

## **4. Policy Review**

This policy will be reviewed and, if appropriate, updated by the Board every 3 years.

Date adopted/last reviewed: **[date]**

## APPENDIX 8 Interest Register

I, ..... [full name], understand that the purpose of **[NMHCO's]** Conflict of Interest Management Policy is to:

- protect the integrity of the Board in its governance role;
- enable other Directors, management and others affected by my decisions to have confidence in the integrity of those decisions; and
- protect the reputations of all Directors in carrying out their collective responsibilities to **[NMHCO]** and its stakeholders.

I will respect its spirit as well as its wording.

**Described below are all material business, financial and other relationships, positions or circumstances in which I am currently involved and believe do or reasonably could be expected to result in a perceived or actual conflict of interest:**

Nature of Interest	Date of joining Board OR Date Interest Arose

I certify the information set out above is true and complete to the best of my knowledge.

I undertake to update the information above if my circumstances change.

Signature .....

Date .....

## APPENDIX 9 Board Charter

### Statement of Board's Governance Functions

<p><b>CEO:</b></p> <p>The Board is responsible for forging a strong and productive mutually trusting working relationship with the CEO for the benefit of the Company, by:</p> <ul style="list-style-type: none"> <li>(a) encouraging openness and honesty in all matters between the Board and the CEO</li> <li>(b) fostering this relationship between meetings (through encouraging a close working relationship between the Chairperson and the CEO)</li> <li>(c) putting in place clear written terms of appointment, position description and delegations for the CEO</li> <li>(d) agreeing annual KPIs for the CEO's performance</li> <li>(e) conducting annual CEO performance reviews against position description and agreed KPIs</li> <li>(f) requiring and monitoring regular ongoing reporting by the CEO to the Board in a form which is meaningful and relevant; and</li> <li>(g) putting in place a succession plan for the CEO.</li> </ul>	
<p><b>Accountability:</b></p> <p>The Board provides accountability by ensuring:</p> <ul style="list-style-type: none"> <li>(a) a clear written statement of roles and responsibilities for the Board exists</li> <li>(b) expenditure of money and use of resources is consistent with appropriately balanced competing interests of stakeholders</li> <li>(c) appropriate transparent management reporting systems exist</li> <li>(d) regular effective communication with key stakeholders</li> <li>(e) adequate avenues exist for people seeking bona fide communication with the company</li> <li>(f) active monitoring of the viability and activities of the company</li> <li>(g) statutory and formal accountabilities (e.g. to regulators, funding bodies etc) are met</li> <li>(h) meaningful evaluations are conducted of the effectiveness of: <ul style="list-style-type: none"> <li>(i) the board (including individual Directors); (ii) committees of the Board; (iii) the CEO</li> </ul> </li> <li>(i) relevant and meaningful professional development is provided for the Board and senior management</li> <li>(j) it sets a respectful, ethical and transparent organisational culture.</li> </ul>	<p><b>Strategy:</b></p> <p>The Board is responsible for ensuring the Company pursues appropriate strategy by ensuring:</p> <ul style="list-style-type: none"> <li>(a) delegation of responsibility to the CEO for driving development of strategy</li> <li>(b) determination, with the CEO, of the annual cycle for strategic planning</li> <li>(c) the whole Board is engaged in the strategic planning and review processes</li> <li>(d) inclusion of proper consideration of risks, opportunities and stakeholder views in all strategic planning</li> <li>(e) inclusion of clear measurable financial and other objectives in all strategic plans</li> <li>(f) preparation of business plans and budgets consistent with and to support agreed strategic plans</li> <li>(g) monitoring and performance review of the Company against approved strategic plans and objectives.</li> </ul>
<p><b>Monitoring and supervising:</b></p> <p>The Board is responsible for monitoring and supervising the governance and management of the Company by ensuring:</p>	<p><b>Policy:</b></p> <p>The Board is responsible for the development of appropriate policy by ensuring:</p> <ul style="list-style-type: none"> <li>(a) development of key governance policies by the Board in keeping with appropriate</li> </ul>

<p>(a) it actively monitors implementation of agreed strategies and policies (including budgets)</p> <p>(b) it receives and reviews regular management reports</p> <p>(c) the Board has a direct relationship with the external auditors to ensure integrity in financial reporting</p> <p>(d) development of an appropriate documented risk management framework which is regularly monitored, reviewed and updated</p> <p>(e) appropriate use of Board committees for more detailed attention as necessary.</p>	<p>practices in governance and legal accountability</p> <p>(b) the CEO is accountable and responsible to the Board for developing appropriate operational policies</p> <p>(c) organisational and operational policies are approved by the Board where appropriate and otherwise the Board is aware of them</p> <p>(d) there is clear delineation between Board policy and policy which is the CEO's responsibility to develop and monitor</p> <p>(e) active monitoring of all Board approved policies.</p>
<p><b>Fiduciary and Legal Duties:</b></p> <p>As a minimum, Directors are to become familiar with and strive to fulfil the following legal and fiduciary duties of Directors including:</p> <p>a) the duty of care and diligence</p> <p>b) the duty to exercise powers in good faith in the interest of the company as a whole and for a proper purpose; and</p> <p>c) the duty not to misuse information or position.</p> <p>d) the duty to avoid conflict</p>	<p><b>Individual responsibilities:</b></p> <p>Directors are individually responsible to:</p> <p>a) actively contribute to all aspects of the Board's role and functions as stated in the Board Charter; and</p> <p>b) act consistently with the organisation's Code of Conduct.</p> <p>Directors must avoid or manage all conflicts of interests according to the Board's Conflict of Interest Management Policy.</p> <p>Directors are to be mindful of protecting the interests of the company as a whole through respecting the confidentiality of all Board discussions, except only if expressly permitted or requested by the Board to discuss the matter externally and then only strictly in accordance with the Board's directions.</p> <p>Directors make contact with the company's staff through the CEO or in accordance with protocols otherwise approved by the Board.</p> <p>Directors strive to help build a strong culture within the Board and between Board and management based on the importance of openness, honesty, fostering trust and mutual respect and taking individual responsibility for their role and functions as a Director of the company.</p> <p>Directors strive to ensure board meeting time is spent only on matters which are either clearly within the scope of matters which are reserved for the Board or are material within the Company's context.</p> <p>Each Director is expected to contribute, including;</p> <ul style="list-style-type: none"> <li>• Attendance at a minimum of 75% of board meetings (including specially scheduled meetings for strategy and business planning)</li> <li>• Active involvement in at least 1 committee of the Board</li> <li>• Completion of all scheduled board skills training or professional development; and</li> <li>• Active participation in and contribution to discussions at board meetings.</li> </ul>



## APPENDIX 10 Board Delegations and Authorities

Item	Board's Retained Authority	CEO's Delegated Authority
<b>Strategic plan</b>		
Strategic plan	Approve in consultation with CEO	Lead initial development and drafting and consult with Board for approval
<b>Organisational Structure</b>		
Organisational structure	N/A	Determine in consultation with the Board (through the Chairperson) consistent with Board-approved strategy, plans, budgets, policies and directions
<b>Operational plans</b>		
Overall operational planning for the Company	Receive for information, to ensure consistency with Board-approved strategy	Develop and implement consistent with Board-approved strategy
<b>Budget</b>		
Annual budget	Approve annually, on recommendations from CEO, and monitor performance against budget at each Board meeting	Develop, based on advice from relevant internal and external (if appropriate) advice, and consistent with Board-approved strategy, plans and policies, for Board approval
<b>Expenditure</b>		
Operational and capital expenditure	Approve, with or without any special conditions imposed by the Board: <ul style="list-style-type: none"> <li>• annual operational budget; and</li> </ul>	Subject to the Board's retained authority, authorise: <ul style="list-style-type: none"> <li>• all operational expenditure which is in accordance with Board-approved budgets and plans or specific Board</li> </ul>

Item	Board's Retained Authority	CEO's Delegated Authority
	<ul style="list-style-type: none"> <li>all amounts which are outside approved operational budget for Board-approved categories of expenditure</li> </ul> <p>(e.g. if the Board approves an amount for 'salaries' within the budget, Board approval is required for expenditure over the total amount approved, but not for detailed line item salaries that make up the total budget amount)</p>	<p>approval;</p> <ul style="list-style-type: none"> <li>all expenditure which is in excess of detailed line items within Board approved budgets provided that the CEO reports all such approvals to the Board promptly, the total expenditure for that category remains within the total approved in the budget and the payment does not conflict with any other Board direction</li> </ul> <p>(see example at left)</p>
<b>Financing arrangements</b>		
Financing arrangements	Approve commitment of the Company to any financing arrangement (e.g. loans, hire purchase etc) for any commitment greater than <b>\$(insert)</b> over the term of the agreement	Approve commitment of the Company to all financing arrangements other than those reserved to the Board for approval
<b>Contracts</b>		
Expenditure contracts	<p>Authorise contracts for unplanned and/or unbudgeted items having a value of <b>\$(insert)</b> or more</p> <p>Ensure adequate indemnity insurance coverage is in place</p>	<p>If delegated, authorise all contracts:<sup>34</sup></p> <ul style="list-style-type: none"> <li>that have already been expressly approved by the Board; or</li> <li>that are in accordance with Board-approved budgets and plans</li> </ul>

<sup>34</sup> Contract authorisation is a Company Secretary role under the Corporations Act 2001

Item	Board's Retained Authority	CEO's Delegated Authority
		<ul style="list-style-type: none"> <li>for unplanned and/or unbudgeted items having a value of less than <b>[\$insert]</b></li> </ul>
Revenue contracts	Authorise: <ul style="list-style-type: none"> <li>new contracts with funding bodies</li> <li>contract renewals with funding bodies having a value of <b>[\$insert]</b> or more</li> </ul>	Authorise contract renewals from funding bodies which are on no less favourable terms than any previous contract for the supply of the same services (e.g. the continuation of an already funded program) of up to <b>[\$insert]</b>
<b>Policy</b>		
Governance policy	Determine and approve all governance structures (e.g. committees) and policy and procedures relating to the operation of the Board (e.g. conflicts of interest) or within Board fiduciary responsibility (e.g. risk management)	Advise and assist the Board and Company Secretary as requested.
Operational policy	Specify policy limitations applicable to any operational policies  Approve policies in the key areas of: <ul style="list-style-type: none"> <li>Governance procedures</li> <li>Financial delegations</li> <li>Workplace health and safety</li> <li>Legislative compliance</li> <li>Brand use and</li> </ul>	Develop and implement all operational policies and procedures consistent with Board-approved policies

Item	Board's Retained Authority	CEO's Delegated Authority
	management	
<b>Employment</b>		
Employment (including all terms)	Employment of CEO	Employment of all other staff: <ul style="list-style-type: none"> <li>• consistent with Board-approved strategy, plans, budgets, policies and directions; or</li> <li>• in consultation with the Board (through the Chairperson) in the case of employment of changed positions or positions created through changes to the organisational structure outside the pre-approved budget.</li> </ul>
Termination of employment	Termination of employment of CEO	Termination of employment of all other staff, consistent with Board-approved policies.
<b>Succession planning</b>		
Succession planning for the Board	Succession planning for: <ul style="list-style-type: none"> <li>• the Board; and</li> <li>• the CEO.</li> </ul>	All other succession planning for the Company
<b>Delegations</b>		
Delegations of authority	Delegate, with or without any express limitations required by the Board, any power or authority which the Board may by law delegate to:	Delegate, with or without express limitations, any power or authority which has been delegated to the CEO by the Board, provided that: <ul style="list-style-type: none"> <li>• the CEO must first satisfy</li> </ul>

Item	Board's Retained Authority	CEO's Delegated Authority
	<ul style="list-style-type: none"> <li>the CEO; or</li> <li>the Company Secretary to the Board in respect of the governance powers and authorities of the Board.</li> </ul>	<p>themselves that it is appropriate to make the delegation to the relevant person;</p> <ul style="list-style-type: none"> <li>the delegation must be in written form and capable of being stored and tracked;</li> <li>the CEO must keep the Board informed of delegations generally; and</li> <li>the CEO must not delegate to any person, without the prior approval of the Board, approval of any operational or capital expenditure of amounts which are outside the detailed line items within the Board approved Budget.</li> </ul>
<b>Mergers / acquisitions</b>		
Merger / acquisitions	<p>Identify merger / acquisition opportunities</p> <p>Approve engagement in discussions / negotiations regarding mergers / acquisitions</p> <p>Authorise mergers / acquisitions</p>	<p>Identify merger / acquisition opportunities</p> <p>Engage in discussions / negotiations regarding mergers / acquisitions, following Board approval</p> <p>Perform due diligence regarding proposed mergers / acquisitions in accordance with due diligence policy or, if relevant, as required by Board formed due diligence committee</p>
<b>Media</b>		

Item	Board's Retained Authority	CEO's Delegated Authority
Media liaison and management	Approve media releases and responses to media enquiries regarding: <ul data-bbox="655 461 995 562" style="list-style-type: none"><li>• mergers or acquisitions;</li><li>• contentious issues</li></ul>	In conjunction with the Chairperson, approve all other media releases or responses to media enquiries in line with communications policy

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## APPENDIX 11 Company Secretary Duties and Responsibilities

- Perform the duties and responsibilities of Company Secretary as required by the Corporations Act 2001 (CA), the Company's Constitution, and relevant legislation or regulation.
  - ensure that the Company complies with its statutory obligations under any relevant laws and regulations
  - statutory records
  - maintain registers
- ensure requisite retention of documents and records
- ensure completion and lodgement of statutory forms/returns and reporting and relevant legislation/regulation, including;
  - annual accounts
  - annual information statements
  - change of Directors, secretaries
- Board meetings;
  - arrange /coordinate
  - set agenda
  - compile and circulate papers to Directors prior to meetings
  - take minutes
  - initiate and direct action to give practical effect to decisions
- assist the Chairperson and Directors in the conduct of meetings and their directorial and governance obligations and responsibilities.
- record (and advise ASIC and ACNC where necessary) declarations/conflicts of Interest of Directors, including in relation to securities held in the Company.
- assist with/ attend signing of contracts and other documentation in connection with administrative matters.
- ensure adherence to Company Constitution
- carry out other functions, if any, required of the Company Secretary by the Constitution

### 1) Carry out other duties related to the corporate administration of the Company

- establish a timetable of corporate actions required during the year pursuant with the CA
- prepare a company secretarial report for the Board of Directors' meetings covering such areas as;
  - disclosure reports/ ASIC filings
  - Directors' interests
  - changes in applicable laws/ regulations
- corporate governance;
  - prepare charters for committees
  - write briefing papers

## **Position Purpose**

The Company Secretary is the chief governance specialist within NMHCO, responsible for providing advice to all Board members, implementing good governance practice, and supporting the effectiveness of the Board.

This position is appointed by the Board.

## **Position Responsibilities:**

- Ensure NMHCO complies with legal and regulatory requirements for a Company Limited by Guarantee, including ASIC, ACNC, *Corporations Act*, ATO, and other requirements.
- Ensure statutory and financial records and registers are maintained and relevant notifications provided to regulatory bodies.
- Ensure organisational adherence to the Constitution rules.
- Ensure good governance principles are in place and adhered to, including retention of documents.
- Ensure Board policies and processes are adhered to and meetings are appropriately conducted and minuted.
- Provide advice to the Board and CEO on governance and regulatory matters, and standards of ethical and corporate behaviour.
- Manage annual cycle to monitor Board performance, induct directors, and maintain insurance.
- Serve as executive officer to the NMHCO Board and Committees.
- Ensure processes and records relating to members' meetings comply with relevant regulatory requirements.
- Develop and monitor governance and related policies to ensure adherence to regulatory and Constitution requirements.
- Sign contracts and other documents on behalf of NMHCO as outlined in the Delegations Policy.
- Carry out other duties related to the corporate administration of NMHCO.
- Provide other duties as agreed with the Chair, Board or CEO from time to time.

The Company Secretary may delegate responsibilities to appropriate staff or consultants where applicable.

## **Corporate Requirements**

***This section assumes the Company Secretary is an employee of NMHCO and should be removed if Company Secretary services are provided by a consultant or other provider.***

- Participate as an effective team member within NMHCO, including assisting other members of the team when required.



- Demonstrate a strong commitment to a quality culture, implementing standards of excellence and a continuous improvement business focus.
- Support and promote a strong safety culture by ensuring all work activities are performed in compliance with the organisation's Workplace Health and Safety Policy.
- Reinforce and promote the principles of Equal Employment Opportunity and diversity in the workplace by modelling and ensuring that all employees and stakeholders are treated with dignity and respect.
- Be conversant with policies and procedures relevant to this position and workplace.
- Undertake other general duties as required.

**Skills, Knowledge and Experience:**

- Very strong governance skills, with particularly strong influencing, negotiation and networking competency.
- Ability to think laterally and act in an innovative and strategic manner.
- Excellent risk management skills.
- Excellent verbal and written communication skills.
- Strong business acumen, risk management and commercial skills.
- Proven ability to take initiative and make decisions.
- Demonstrated ability to work autonomously or in a team environment, particularly to boards of management.

**Desirable**

- Graduate Diploma in Applied Corporate Governance and/or membership of the Institute of Chartered Secretaries and Administrators.
- A degree qualification.

## APPENDIX 12 Draft CEO Position Description

Position Title: Chief Executive Officer (CEO)  
Reports to: NMHCO Board of Directors

Location:

Date: 2015

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### Background

The National Mental Health Consumer Organisation (NMHCO) Ltd is a national not-for-profit organisation governed by and for people with lived experience of mental health issues. The NMHCO is governed by a Board of Directors and managed by a Chief Executive Officer, in accordance with the powers delegated to the position by the Board under its Constitution and other governing documents.

The NMHCO has been established to:

- promote, influence and facilitate the rights of mental health consumers to enable improvements in mental health, wellbeing and quality of life of all people with lived experience of mental health issues;
- promote and facilitate community education and awareness of mental health issues, including targeted campaigns and initiatives, to improve the mental health and wellbeing of mental health consumers, and all Australians;
- provide national Mental Health Consumer leadership, increase the effectiveness and enhance the long term viability of mental health consumer charities, not-for-profit and other organisations by promoting partnerships and a coordinated approach to improving social inclusion, realising potential and respect for people who live with mental health issues;
- promote the needs of all people at risk of mental illness through a systems approach to prevention, treatment/support, recovery and peer lead intervention
- provide national leadership on Mental Health Consumer matters.

### Purpose

This position is responsible and accountable for leading the development and implementation of the NMHCO strategic plan in conjunction with the Board, building the reputation and profile of the NMHCO, managing the external and internal operations of the NMHCO, and providing consistent high level advice to the Board on operations, policy and planning.

The Chief Executive Officer is a person who consistently demonstrates and models generosity of spirit in the day to day dealings with the Board Directors, members, stakeholders and employees.

## **Key Responsibilities**

### **Supporting Corporate Governance**

- Assist the Board in determining NMHCO's values, mission, vision and short- and long-term goals
- Oversee the operations of NMHCO and ensure the strategic plan is successfully implemented
- Ensure compliance with and provide guidance to members and stakeholders on the NMHCO's Constitution, associated by-laws and Code of Conduct
- Ensure NMHCO's operations accord with the Company's Constitution and policies

### **Leadership**

- Provide leadership, direction and advice in the development of programs and operational and financial plans
- Lead, guide, direct and evaluate the work of others to ensure the NMHCO's overall strategy is achieved
- Maintain a strategic perspective on the position of the NMHCO
- Model behaviors consistent with the values of the NMHCO

### **Managing Effectively**

- Work with the Board to establish an annual operational plan, including a budget, and prudently manage the NMHCO's financial resources within budget allocations
- Ensure corporate and regulatory compliance (includes funding and reporting obligations)
- Oversee the recruitment of staff and effectively manage staff performance
- Ensure the delivery of quality service and organisational stability through the development and implementation of standards and controls, sound practices and procedures and regular evaluation

### **Stakeholder Engagement and Communication**

- Ensure the views of NMHCO members are sought and used
- Ensure processes to facilitate membership engagement and contribution to achieving the NMHCO vision and mission
- Ensure the Board is provided with timely, strategically focused reports well in advance of each Board meeting
- Ensure the Board is fully informed on all functional aspects of the NMHCO including proactively advising the Board of risks to the organisation
- Represent the position and views of the NMHCO to all relevant internal and external stakeholders in a way that enhances the reputation of the organisation
- Identify and establish productive working relationships with relevant government, private and not-for-profit organisations and agencies.

## **Corporate Requirements**

- Demonstrate the leadership necessary to make NMHCO's mission a success. This includes providing leadership vision and guidance, and directing the work of others
- Demonstrate strong commitment to a quality culture, implementing standards of excellence and a continuous improvement business focus
- Model the principles of Equal Employment Opportunity and diversity and ensure all employees and stakeholders are treated with dignity and respect.
- Ensure internal and external reporting obligations, including those to members, are met
- Establish a just, open, healthy and supportive culture that pursues excellence and meets NMHCO's workplace health and safety requirements.

## **Selection Criteria**

*Skills, Knowledge and Experience:*

### *Essential*

- Personal lived experience as a mental health consumer or of mental health issues
- Experience in high level leadership, and management skills and experience, including but not limited to budget preparation and delivery, funding management, human resources and quality improvement
- Experience and ability to represent and lead the aspirations of mental health consumers and people with lived experience of mental health issues
- Ability to think laterally/ creatively and act strategically
- Excellent verbal and written communication skills, including public speaking and media, and demonstrated ability to apply these skills with a wide range of stakeholder.

### *Desirable:*

- Experience in leading and managing the establishment of a small not-for-profit organisation
- Experience in mental health advocacy
- Demonstrated understanding of a social model of health and rights based approaches to health
- Demonstrated knowledge of the mental health sector in Australia, including national mental health advocacy programs, policies and initiatives
- Personal resilience and ability to seek support as required.

## APPENDIX 13 Reporting obligations and Annual Cycle of Board and Committee Meetings

### Reporting obligations

Once a company limited by guarantee is registered under the ACNC as a charity, most of the company's ongoing reporting obligations are to the ACNC, rather than the Australian Securities and Investments Commission (ASIC). The Constitution is the governing document for the company.

Generally, a company should contact ASIC for anything relating to the company's corporate status and the ACNC for anything relating to the company's charitable status.

### ASIC Reporting

Contact ASIC when:

- You want to change the name of your company (including removing "Limited" from the company name)
- Your auditor resigns or is removed
- An external administrator is appointed for your company; or
- You wind up or deregister your company.

### ACNC Reporting

Contact ACNC to:

- Keep your charity status, for example, by remaining not-for-profit and working towards your charitable purpose
- Comply with governance requirements, including the ACNC governance standards (these can be found at [www.acnc.gov.au](http://www.acnc.gov.au)). Some of these are different to and more flexible than the requirements for companies under the *Corporation Act 2001*, for example, requirements for meetings
- Submit an Annual Information Statement each year<sup>35</sup>
- Notify them of changes to your charity's:
  - Company name (including removing "Limited")
  - Address for service
  - Directors (who are known as "responsible persons" under ACNC), or
  - Constitution (which is known as "governing document" under ACNC).
- Change your charity's legal structure
- Merge your charity with another charity
- Wind up (close) your charity
- Revoke your company's registration as a charity, even if you want to continue to operate your company.

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<sup>35</sup> The standard ACNC reporting period is the financial year from 1 July to 30 June (01/07–30/06). A charity's Annual Information Statement and financial report (if required) are due within six months of the end of their reporting period (financial year).

A company registered with the ACNC does not have to comply with the Corporations Act 2001 requirement to hold general meetings of members or annual general meetings. Instead, it must comply with the requirements of *ACNC governance standard 2* which requires charities to:

- Take reasonable steps to be accountable to their members
- Allow their members adequate opportunities to raise concerns about how the charity is run.

Common steps to meet this standard are:

- Organise a meeting at least annually with members (such as an annual general meeting) with opportunities for members to ask questions and vote on resolutions
- Provide information to members on the charity's activities and finances
- Have clear processes for appointing "responsible persons" (such as board members).

Notice of every general meeting must be given to every Member, Director (Responsible Person) and the auditor.<sup>36</sup> The Notice of general meeting must be given at least 21 days prior to the meeting and must specify the following:

- The place, the date and the time of the meeting
- If the meeting is to be held in two or more places, the technology that will be used to facilitate the meeting
- The general nature of the business to be transacted; (e.g. agenda, including signed financial accounts)
- If it is proposed to move a special resolution at the meeting, the intention to propose the special resolution, and the resolution
- If a Member is entitled to appoint a proxy, a statement setting out the following information:
  - That the member has a right to appoint a proxy
  - That any proxy needs to be a Member of the Company.

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<sup>36</sup> Refer to Clause 6.4 of the NMHCO Constitution

## Annual Cycle of Board and Committee Meetings

According to the Constitution, the Board must meet at least three times each financial year. Board committees may meet in addition to full Board meetings. An example annual cycle of Board and Committee meetings, including time critical agenda items, is below.

<b>Date</b>	<b>Time</b>	<b>Activity</b>	<b>Location</b>	<b>Key agenda items</b>
<b>25 February</b>	9.00am – 4.00pm	Board meeting	Face to face	First meeting of new Board
<b>26 March</b>	2.00pm – 3.00pm	Governance Committee	Teleconference	
<b>7 May</b>	2.00pm – 3.00pm	Finance Committee	Teleconference	Budget for next financial year
<b>4 June</b>	9.00am – 4.00pm	Board meeting	Face to face	Endorsement of budget for next financial year  Annual review of CEO performance and KPIs (once recruited)
<b>27 August</b>	2.00pm – 3.00pm	Governance Committee	Teleconference	
<b>17 September</b>	2.00pm – 3.00pm	Finance Committee	Teleconference	Endorsement of Financial Statements for signing by the Board.
<b>30 September</b>	2:00pm – 3:00pm	Board Meeting	Teleconference	Endorsement of Financial Statements for presentation to members at the AGM
<b>12 November</b>	9.00am – 4.00pm	Board meeting	Face to face	
<b>12 November</b>	4.30pm – 5.30pm	AGM	Face to face	Endorsement of Financial Statements by members  Result of election process for Board positions. New Board endorsed by members.

## APPENDIX 14 Board Performance Evaluation Policy

### Introduction

The Board of [NMHCO] has adopted a Corporate Governance Manual which it undertakes to regularly review, amongst other things, the performance of the Board and its Committees. This Policy expresses the Board's policy for review of the Board's and Committees' performance.

### Aim

It is the aim of this Policy to:

- (a) ensure clarity for all Directors about expectations which the Board places on its members, for the better performance of the Board (Directors must, after their initial election to the Board, be given a copy of this policy); and
- (b) assist the Board in its role of monitoring performance of our Company and its associated accountability to stakeholders.

### Policy

There will be:

- Mandatory annual reviews of the Board's performance, including evaluations of each of the Committees of the Board and of the Directors.
- Voluntary post-meeting surveys of the Board's performance in meetings and in preparation for them. In the case of the annual review, the Chairperson is responsible to commence the annual process in [month] of each year, by requesting feedback from the Board as to the members of the senior management team (if any) (and anyone else) whose views should be included in the Board/Committee evaluation process and in what manner it is to be conducted (e.g. whether an external consultant is to be engaged for the purpose, or whether it will be conducted by the Board itself).<sup>37</sup>

The process at each annual evaluation is to include the following:

- Written questions will be given to each Director for completion before the evaluation, in respect of the performance and functioning of the Board as a whole, and its Committees, and also a self-evaluation of the Director's own performance.
- Written questions will be given to the CEO and such other people as the Board has agreed should be included, for completion before the evaluation, in respect of the performance and functioning of the Board and its Committees.
- It is preferable the questions, and all other aspects of the process, are to be specifically designed/tailored for our Company's Board, and aimed at assessing the performance of the Board and its Committees against the:
  - a) Board Charter

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<sup>37</sup> The Board will need to discuss and agree the specific process for annual reviews.



- b) Corporate Governance Manual;
  - c) Terms of Reference for Committees; and
  - d) Agreed goals (or key performance indicators) which are then current for the Board, its Directors and its Committees.
- There is to be open discussion of the Board, facilitated by an external party, the Chairperson or such other person nominated by the Board, to discuss the results of the evaluation and to decide any changes which are required to be made by the Board to address any lack of performance and to agree the goals (key performance indicators) for the Board for the ensuing year. Key performance indicators for the Board will always be prepared having regard to the then strategic priorities and objects of our Company.
  - If particular concerns arise from the evaluation in relation to any individual Director, or Committee, the Chairperson shall meet with that Director, or Chair of that Committee, to discuss the concerns and any actions to be taken as a result. If the concerns relate to the Chairperson, then the Chairperson shall discuss the matter as appropriate with the Board.

The Board shall record the outcome of each performance evaluation in the minutes of the Board.

The voluntary post-meeting surveys of the Board's conduct of meetings and preparation for them shall be conducted in order to assist in the continual improvement of the way the Board carries out its role at a 'micro' level. It shall be conducted by circulating the attached questionnaire at the end of each meeting and asking Directors to complete it and provide it to the Chairperson, for the ongoing guidance of the Chairperson as to the ways in which the Board's performance at meetings can be enhanced.

#### **Policy Review**

This Policy will be reviewed by the Board every 3 years and updated as required.

Date adopted/last reviewed: [date]

## APPENDIX 15 Post Board Meeting Evaluation

Board Meeting (DATE)

Post Board meeting survey

1. Was enough meeting time spent on important topic/s (e.g. strategy)?

YES / NO (If 'no' please elaborate):

2. Was the balance between strategy and operational issues about right?

YES / NO (If 'yes' please elaborate):

3. Did you have an adequate opportunity to speak on important topics?

YES / NO (If 'no', please elaborate):

4. Did the Chairperson control the meeting appropriately?

YES/NO (If 'no' in any respect, please elaborate):

5. The Board papers were:

a. well prepared YES / NO

b. provided to us in adequate time YES / NO

6. Directors:

a. came well prepared for the meeting YES / NO

b. participated actively in discussions YES / NO

7. Suggestions / improvements for future board meetings