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Board charter and code of conduct

Foyer Foundation Limited
ABN 88 131 102 219 (**Company**)

Board charter and code of conduct

1. Introduction

- 1.1 Foyer Foundation Limited is an incorporated company limited by guarantee and is governed by a Board established under its Constitution (**Constitution**).
- 1.2 The Company was registered with the Australian Charities and Not-for-profits Commission (**ACNC**) on 3 December 2012 as a public benevolent institution and is endorsed by the Australian Taxation Office with Deductible Gift Recipient status – Category 1.
- 1.3 According to the Company's Constitution, the Objects for which the Company is established are:
- (a) to assist organisations and other interested parties to establish, operate and obtain certification of Foyers in Australia with the mission and objective of assisting disadvantaged young people to stabilize their lives and achieve the transition to adult independence;
 - (b) to establish and maintain a strong liaison and relationship with Foyer Federation and to ensure that the Foyers established in Australia meet the standards, operational procedures, processes and, quality assurance and certification objectives of Foyer Federation to the extent applicable to the prevailing circumstances in Australia from time to time;
 - (c) to establish and maintain a quality assurance and accreditation program and standards with a view to ensuring that the Foyers established and operated in Australia are given appropriate guidance, support and assistance in achieving the quality assurance and accreditation standards;
 - (d) to otherwise assist organisations and other interested parties to establish facilities or programs to assist disadvantaged young people to stabilize their lives and achieve the transition to adult independence including (without limitation):
 - (i) to provide integrated access to affordable housing, case management support and security for disadvantaged young people;
 - (ii) to develop links to education and training providers, and to work experience and job opportunities, and encourage and support young people's participation in the opportunities made available to them;
 - (iii) to support (financially and otherwise) other organizations or entities which have the same or substantially the same objects as the Company (subject always to any requirements of the *Income Tax Assessment Act 1997* as regards maintaining the Company's status as a benevolent institution and charitable institution);
 - (e) to form alliances with and to otherwise collaborate and work with other organisations or entities which have the same or substantially the same objects as the Company (subject always to any requirements of the *Income Tax Assessment Act 1997* as regards maintaining the Company's status as a benevolent institution and charitable institution); and
 - (f) to raise and invest funds to be applied towards the promotion of the objects of the Company and to seek sponsorship and patrons to promote the objects for which the Company was established,
- (**Objects**), provided in clause 6 of the Company Constitution).
- 1.4 The Company's Constitution requires the Company to pursue charitable purposes only and to apply its income in promoting those purposes.
- 1.5 Terms defined in the Constitution have the same meaning in this charter and code of conduct (**Charter**).

2. Who is covered by this Charter?

2.1 This Charter applies to:

- (a) the Board Members of the Company; and
- (b) senior executives of the Company.

2.2 In this Charter, senior executive means the chief executive officer and other employees or officers of the Company identified from time to time as someone who has the opportunity to materially influence the integrity, strategy and operation of the business and financial performance of the Company.

3. Board composition

3.1 There must be a minimum of 5 Board Members and may only be a maximum of 9 Board Members.

3.2 The Board should ideally comprise:

- (a) Board Members with an appropriate range of skills, experience and expertise;
- (b) Board Members who can understand and competently deal with current and emerging business issues; and
- (c) Board Members who can effectively review and challenge the performance of management and exercise independent judgment.

3.3 Each Board Member and senior executive is appointed by a formal letter of appointment setting out the key terms and conditions of their appointment to ensure that he or she clearly understands the Company's expectations of him or her.

4. Purpose

As well as the legal and equitable duties owed by Board Members and senior executives, the purpose of this Charter is to:

- (a) assist the Board Members and senior executives to deliver effective governance by setting out their respective roles, responsibilities and authorities (both individually and collectively) and to assist in setting direction, management and control of the Company;
- (b) promote and articulate the high standards of corporate governance, honest integrity, ethical and law-abiding behaviour expected of Board Members and senior executives;
- (c) encourage the observance of those standards to protect and promote the interests of stakeholders of the Company (including members, employees, customers, suppliers and creditors);
- (d) guide Board Members and senior executives to ensure they act in the best interests of the Company and work towards the Objects;
- (e) clarify the role and responsibilities of the Board Members, and senior executives, including guiding them to the practices thought necessary to maintain confidence in the Company's integrity;
- (f) set out the responsibility and accountability of the Board Members and senior executives to report and investigate any reported violations of this Charter or unethical or unlawful behaviour;
- (g) recognise and set out the Board Members' and senior executives' requirements around protection of confidential information and intellectual property; and
- (h) enable the Board Members and where necessary the senior executive to provide strategic guidance for the Company and effective management oversight.

5. Honesty and integrity

The Company expects each Board Member and senior executive to:

- (a) observe the highest standards of honesty, integrity, and ethical and law-abiding behaviour when:
 - (i) performing their duties; and
 - (ii) dealing with any officer, employee, customer, supplier, auditor, lawyer and other adviser of the Company; and
- (b) foster a culture of honesty, integrity and ethical and law-abiding behaviour among other officers and employees.

6. Commitment to furthering Company's Objects

The Company expects each Board Member and senior executive to:

- (a) publicly, display enthusiasm for the Company and its programs;
- (b) invest passion and energy in introducing networks and relationships to the Company to further the Objects and encourage donations in support of its aims;
- (c) work in partnership with other Board Members, executives and staff to advance the Company in furtherance of its Objects;
- (d) provide candid and honest feedback and evaluation when appropriate; and
- (e) provide assistance in identifying and recruiting new Board Members to facilitate a diverse range of candidates for election to the board and undertake any necessary succession planning.

7. Board meetings

- 7.1 Board Members are expected to use all reasonable endeavours to attend and participate in every Board meeting and meetings of committees on which they serve and must promptly advise the Chairperson of the Board or the committee if they cannot attend.
- 7.2 Board Members are expected to spend the time needed, and meet as often as necessary, to properly discharge their responsibilities.
- 7.3 Board Members are expected to review meeting materials before Board meetings and committee meetings.
- 7.4 Board Members are encouraged to ask questions of, request information from, and raise any issue of concern with, management. Board Members are encouraged, where possible, to ask any questions and raise issues of concern before a meeting so that management is prepared to address them.
- 7.5 Board Members must exercise independent judgment when making decisions.
- 7.6 At each Board meeting, time is to be allocated for the Board to meet without the presence of management (including any Board Member who is a senior executive of the Company).
- 7.7 Publicly, Board Members are expected to support the letter and spirit of Board decisions.
- 7.8 Board Members must keep Board information, discussions, deliberations, and decisions that are not publicly known, confidential.
- 7.9 Board meetings shall be held at least three times a year.
- 7.10 The quorum for Board meetings shall be three Board members unless the Board decides otherwise.

8. Board Members' role and responsibilities

- 8.1 The Board acts in the best interests of the Company as a whole and is accountable to the Members of the Company for the overall direction, management and corporate governance of the Company.
- 8.2 The Board and the Board Members are responsible for:
- (a) overseeing the Company, including its control and accountability systems, managing its finances and ensuring it operates transparently;
 - (b) appointing, removing and monitoring the performance of the chief executive officer, to whom day to day management and administration of the Company is delegated by the Board and if required of the senior executives;
 - (c) where appropriate, ratifying the appointment, removal and management remuneration of senior executives, organisational changes and senior remuneration policies and practices;
 - (d) monitoring senior executives' performance and implementation of strategy, and ensuring appropriate resources are available;
 - (e) providing strategic advice to management and approving management's corporate strategy and performance objectives and approving plans and policies;
 - (f) approving and monitoring the progress of major capital expenditure, and approving and monitoring financial and other reporting;
 - (g) reviewing and ratifying systems of risk management, internal compliance and control, and legal compliance to ensure appropriate risk compliance frameworks and controls are in place;
 - (h) monitoring and ensuring compliance with legal and regulatory requirements including reporting requirements and ethical standards and policies;
 - (i) reviewing and overseeing the implementation of this Charter for Board Members, senior executives and all other employees;
 - (j) monitoring and ensuring compliance with best practice corporate governance requirements; and
 - (k) taking reasonable steps to be accountable to the Members of the Company and provide the Members adequate opportunity to raise concerns about how the Company is governed by:
 - (i) communicating effectively with the Members;
 - (ii) as requested, providing Members with ready access to balanced and understandable information about the Company and its Objects; and
 - (iii) making it easy for Members to participate in general meetings or any other meetings or communication forms between the Board and Members.
- 8.3 Together working as a Board, the Board Members must comply with their legal duties when discharging their responsibilities as Board Members. These duties are found under the [ACNC Governance Standards](#), specifically those found under Standard 5, being:
- (a) to act in good faith and in the best interests of the Company and its Objects and to manage financial affairs and ensure it remains solvent and not operate should it become insolvent;
 - (b) to act with reasonable care and diligence;
 - (c) to act for proper purposes;

- (d) to avoid a conflict of interest or duty and disclose and manage any conflict of interest that may arise;
- (e) to refrain from making improper use of information gained through their position or taking improper advantage of their position; and
- (f) to protect the confidentiality of information and the integrity of intellectual property of the Company and to not misuse the intellectual property of the company.

9. Performance of senior executives

9.1 The Board Members are responsible for:

- (a) regularly reviewing the performance of senior executives against measurable and qualitative indicators as decided by the Board Members; and
- (b) ensuring that induction procedures are in place to allow new senior executives to participate fully and actively in management decision-making at the earliest opportunity.

9.2 New senior executives must have knowledge about the Company and the industry within which it operates. An induction program is available to enable senior executives to gain an understanding of:

- (a) the Company's financial, strategic, operational and risk management position;
- (b) the rights, duties and responsibilities of senior executives; and
- (c) the respective rights, duties, responsibilities and roles of the Board Members and senior executives.

10. Board Committees

10.1 The Board may establish committees to assist it in carrying out its responsibilities, to share detailed work and to consider certain issues and functions in detail. These committees may include but are not limited to a general committee, an audit committee, a risk committee, and a nomination and remuneration committee.

10.2 Where it establishes committees, the Board must approve the charter or terms of reference of each committee setting out matters relevant to the composition, responsibilities and administration of the committee. Each committee will review its charter from time to time as appropriate.

11. Chairperson of the board

11.1 The Chairperson of the Board:

- (a) is appointed by the Board Members; and
- (b) must not be the same person as the chief executive officer.

11.2 The division of the responsibilities of the Chairperson of the Board and the chief executive officer have been agreed by the Board and are set out in this Charter.

11.3 The responsibilities of the Chairperson of the Board include:

- (a) providing leadership to the Board;
- (b) promoting the efficient organisation and conduct of the Board's functions;
- (c) ensuring the Board considers and adopts strategies designed to meet present and future needs of the Company;
- (d) ensuring the Board has an effective composition, size and commitment to adequately discharge its responsibilities and duties;
- (e) monitoring the performance of the Board;

- (f) facilitating Board discussions to ensure core issues facing the Company are addressed;
- (g) briefing all Board Members in relation to issues arising at Board meetings;
- (h) facilitating the effective contribution and ongoing development of all Board Members;
- (i) promoting constructive and respectful relations between Board members and between the Board and management;
- (j) ensuring the Board regularly meets to consider the Company's performance and key issues facing it;
- (k) setting the agenda for the Board meetings after consulting with the chief executive officer; and
- (l) chairing general meetings.

12. Chief executive officer

- 12.1 Responsibility for day to day management and administration of the Company is delegated by the Board to the chief executive officer and, where appointed, the executive team.
- 12.2 The chief executive officer manages the Company in accordance with the strategy, plans and policies approved by the Board.
- 12.3 The chief executive officer is appointed by the Board.
- 12.4 The chief executive officer must not be the same person as the Chairperson.
- 12.5 The responsibilities of the chief executive officer include:
 - (a) developing and recommending to the Board strategies, business plans and annual budgets for the Company;
 - (b) implementing the strategies, business plans and budgets adopted by the Board;
 - (c) developing and managing resources, policies and systems to ensure the effective operation of the Company (including developing and implementing policies on risk management, internal controls and human resources);
 - (d) managing resources within budgets approved by the Board;
 - (e) ensuring compliance with applicable laws and regulations;
 - (f) ensuring the Board is given sufficient information to enable it to perform its functions, set strategies and monitor performance; and
 - (g) acting within authority delegated by the Board.
- 12.6 The Board has in place procedures to assess the performance of the chief executive officer.

13. Conflicts of interest or duty

- 13.1 Board Members and senior executives are expected to be sensitive to conflicts of interest or duty that may arise and mindful of their fiduciary obligations.
- 13.2 Board Members and senior executives must:
 - (a) disclose to the Chairperson and/or other Board Members any actual or potential conflict of interest or duty that might reasonably be thought to exist as soon as the situation arises;
 - (b) take necessary and reasonable action to resolve or avoid any actual or potential conflict of interest or duty; and
 - (c) comply with the [ACNC Governance Standards](#), the Company's Conflicts of Interest policy and the Company's Constitution in relation to disclosing material personal interests and restrictions on voting.

- 13.3 If a conflict exists, it is expected that any Board Member and senior executive to whom the conflict relates will leave the room when the Board is discussing any matter to which the conflict relates, unless permitted to remain in attendance under the Corporations Act or Company's Conflicts of Interest Policy.
- 13.4 Board Members and senior executives are expected to inform the Chairperson of the Board of any proposed appointment to the Board or executive of another company as soon as practicable.

14. Access to information and independent advice by Board Members

- 14.1 Board members are expected to exercise considered and independent judgement on the matters before them.
- 14.2 Board Members and senior executives must have access to any information they consider necessary to fulfil their responsibilities and to exercise independent judgment when making decisions.
- 14.3 Board Members and senior executives have access to:
- (a) management to seek explanations and information from management; and
 - (b) auditors, both internal and external, to seek explanations and information from them without management being present.
- 14.4 Board Members and senior executives may seek any independent professional advice they consider necessary to fulfil their responsibilities and to exercise independent judgment when making decisions in accordance with the procedure agreed by the Board Members.
- 14.5 In such circumstances the Company will consider the payment of reasonable professional fees subject to the approval of the Board.

15. Corporate opportunities

- 15.1 Board Members and senior executives must not improperly use their position, property or information acquired through their position for personal gain or gain. Any goods, services, facilities or special knowledge gained as a Board Member or senior executive must only be used for the benefit of the Company.
- 15.2 Board Members and senior executives must not accept any improper gift from the Company's existing or potential customers or suppliers or any other stakeholders. For the purposes of this Charter an improper gift includes but is not limited to a gift or benefit over a nominal amount of more than \$100 on any one occasion or an accumulation of nominal gifts exceeding \$1,000.

16. Confidentiality

- 16.1 Any information acquired by a Board Member or senior executive while performing their duties is confidential information of the Company and must be kept confidential. Board Members and senior executives must not disclose the information to a third party except where that disclosure is authorised by the Board or required by law or a regulatory body.
- 16.2 Each Board Member's and senior executive's obligations of confidentiality continue after he or she leaves the Company.

17. Retirement of Board Members

- 17.1 The Board will bear responsibility for managing succession issues in accordance with the terms of the Constitution, seeking to balance continuity, corporate memory, collegiality, skill requirements, energy and other strategic factors and may do this on an ad hoc or structured basis.

- 17.2 The Constitution requires one third of Directors, being the longest serving Directors, to retire at each annual general meeting, along with any Director for whom the meeting would be the third annual general meeting since their last appointment, and any Director appointed to fill a casual vacancy.
- 17.3 Directors are able to seek re-election in accordance with the terms of the Constitution, however the Constitution does not contain a provision regarding when a Board Member is ineligible to seek re-election.
- 17.4 Under the terms of this Charter, Board Members are ineligible to stand again as Directors after they have served on the Board for a period of 10 years.

18. Compliance with laws, regulations, policies and procedures

Each Board Member or senior executive must:

- (a) comply with the letter and spirit of any applicable law, rule or regulation;
- (b) comply with the protocols, policies and procedures of the Company; and
- (c) encourage other officers and employees to do the same.

19. Reporting of unlawful and unethical behaviour

The Company expects each Board Member and senior executive to report promptly and in good faith any actual or suspected violation by an officer or employee of the standards, requirements or expectations set out in this Charter. Reporting of unethical behaviour shall be to the Chairperson in the first instance but if such incidence of unethical behaviour may involve the Chairperson, then to the Company Secretary.

20. Board Member Liability

Board Members are insured for Director Liability under an Association Liability policy issued by Dual Australia Pty Limited as agents for Lloyds Underwriters.

21. Review of Charter

This Charter will be reviewed annually by the Board. Any changes to the Charter will be promptly communicated to all Board Members and senior executives.

22. Publication

The names of Board Members and this Charter will be published on the Company's website and included in the Company's Annual Report.

23. Approved and adopted

This Charter was approved and adopted by the Board on 8 February 2022.

8th March, 2022

Date

Keel Smith

Chairperson of the Board of The Foyer Foundation