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Board Charter

REACH Limited

Board Charter

1. **Introduction**

REACH Limited is a Not for Profit organisation limited by Guarantee.

The Board is responsible for the corporate governance of the organisation.

The purpose of this charter is to:

1. Promote high standards of corporate governance;
2. Clarify the role and responsibilities of the Board; and
3. Enable the Board to provide strategic guidance for the organisation and effective management oversight.

This charter is supported by the Company’s Constitution, Code of Conduct and the charters for the Financial, Budget Subcommittee, Risk Management Subcommittee and the Board Recruitment Subcommittee.

The organisation presently has five independent non- executive directors.

1. **Board Size, composition and independence.**

There must be a minimum of three directors and a maximum of 9 directors.

The Board must comprise:

1. A majority of independent non- executive directors;
2. Directors with an appropriate range of skills, experience and expertise;
3. Directors who can understand and competently deal with current and emerging business issues; and
4. Directors who can effectively review and challenge the performance of management and exercise independent judgment.

An independent non-executive director and an executive director is one who;

1. Is independent of management;
2. Free of any business or other relationship that could materially interfere with, or could reasonably be perceived to materially interfere with, the exercise of their unfettered and independent judgment;

An executive director is one who holds one of the following positions:

1. Chairperson
2. Vice Chairperson
3. Secretary
4. Treasurer

An executive director will hold their position for a period of twelve (12) months, the election of the executive team will be held at the first Board meeting held after the Annual General Meeting (AGM), and the executive directors will be elected by the Board.

The Board is responsible for recommending candidates for appointment to the Board.

Each director is appointed by a formal letter of appointment setting out the key terms and conditions of their appointment to ensure that each director clearly understands the organisation’s expectations of him or her.

**The Boards role and responsibilities:**

The Board’s acts in the best interests of REACH Limited as a whole and is accountable for the overall direction, management and governance of the organisation.

The Board of REACH Limited will endeavour to hold no less than ten (10) Directors meetings per financial year, quorum permitting. General Meetings of the members will be held as required. The Annual General Meeting (AGM) will be held in November of each year.

* Overseeing the organisation, including its control and accountability systems;
* Appointing and removing an executive director or the chairperson;
* Monitoring the performance of any of the executive directors and the chairperson;
* Ratifying the appointment, and where appropriate, the removal of any executive director;
* Ratifying other senior executive positions, organisational changes and senior management remuneration policies and procedures;
* Developing and approving succession plans for the organisation and from time to time as appropriate for management;
* Monitoring senior managements performance and ensuring appropriate resources are available;
* Providing strategic advice to management;
* Approving and monitoring the progress of investments, capital expenditure and where appropriate acquisitions;
* Approving and monitoring financial and other reporting requirements;
* Reviewing and ratifying systems of risk management, internal compliance and control, and legal compliance to ensure appropriate compliance frameworks and controls are in place;
* Review and oversee the implementation of the organisation’s code of conduct;
* Approve charters of Subcommittee structures;
* Monitoring and ensuring compliance with legal and regulatory requirements and ethical standards and policies; and
* Monitor and ensure compliance with best practice governance requirements;
* Act in the best interest of the organisation;
* Declare all conflicts of interest; and
* Maintain the confidentiality of the organisation’s information;

**4 Board Subcommittees**

The Board has established the following Subcommittees to assist it in carrying out its responsibilities to share detailed work and to consider certain issues and functions in detail:

1. Financial, Budget Committee
2. Risk Management Committee
3. Board Recruitment Subcommittee.

The charter or terms of reference of each Subcommittee setting out matters relevant to the composition, responsibilities and administration of the committee must be approved by the Board.

Each Subcommittee will review its charter from time to time as appropriate.

**5 Financial, Budget Subcommittee**

The objective of the Financial, Budget Subcommittee is to:

Help the Board fulfil its responsibilities in relation to:

* Financial reporting;
* The application of accounting policies;
* Legal and regulatory compliance; and
* Internal risk control of financial systems;

1. Maintain and improve the quality and credibility of the financial accountability process;
2. Promote a culture of compliance;
3. Provide a forum for communication between the Board and financial compliance management;
4. Maintain and improve the effectiveness of the internal and external group audit functions and communication between the Board and the external auditors; and
5. Maintain and improve the effectiveness of compliance strategies and compliance function;

The Financial, Budget Committee must comprise:

* At least one director who is financially literate;
* At least two management staff members;

The Finance, Budget Sub- Committee will appoint its chairperson. The chairperson must be an independent chairperson and may not be the chairperson of the Board.

**Board Recruitment Subcommittee**

The objective of the Board Recruitment Subcommittee is to help the Board to achieve its objective of ensuring the organisation has a Board of Directors of an effective composition, size and commitment to adequately discharge its responsibilities and duties.

The Board Recruitment Subcommittee is responsible for the evaluation of the Board’s performance, including the effectiveness of the chairperson and the executive directors.

Any director of the organisation may join the Board Recruitment Subcommittee.

The Board Recruitment Subcommittee must comprise;

1. The chairperson of the Board;
2. The management team; and
3. Where required any other independent director or member of the executive team who may be required depending on the position being recruited at the time.

The Board Recruitment Subcommittee will appoint its chairperson. The chairperson of the Board Recruitment Subcommittee must be the chairperson of the Board.

**Risk Management Subcommittee**

The objective of the Risk Management Subcommittee is to assist the Board to maintain a comprehensive risk management system for identifying, assessing and managing risk with reasonable assurance in a rapidly changing environment; and

* Safeguard assets;
* Maintain appropriate standards regarding the environment and health and safety issues;
* Meet legal and regulatory obligations;
* Reinforce the values of the organisation by focusing on the needs of the organisation.

The Risk Management Subcommittee must comprise:

1. At least one director
2. The management team; and
3. Where possible two other staff members.

The Risk Management Subcommittee will appoint its chairperson. The chairperson must be an independent chairperson and may not be the chairperson of the board.

**Chairperson of the Board**

The chairperson of the board:

1. Is appointed by the directors; and

The responsibilities of the chairperson of the Board include:

* Providing leadership to the Board of REACH Limited
* Promoting the efficient organisation and conduct of the Board’s functions;
* Ensuring the Board considers and adopts strategies designed to meet present and future needs of the organisation;
* Monitoring the performance of the Board;
* Facilitating Board discussions to ensure core issues facing the organisation are addressed;
* Ensuring adequate flow of relevant information to all directors;
* Promoting constructive and respectful relations between Board members and the management team;
* Ensuring the Board regularly meets to consider the organisation’s performance and key issues facing it;
* Setting the agenda for the Board meetings after consulting with the Executive Directors and the management team; and
* Chairing all Board of Directors Meetings, General Meetings and Annual General Meetings (AGM).

**Directors / Executive Team**

* directors are expected to attend and participate in Board meetings and meetings of Subcommittees on which they serve;
* directors are expected to spend the time needed to properly discharge their responsibilities;
* directors are expected to review meeting materials before Board meetings and Subcommittee meetings;
* directors are encouraged to ask questions of, request information from, and raise any issue of concern with, management. Directors are encouraged, where possible to ask any questions and raise issues of concern before a meeting so that management is prepared to address them;
* directors must exercise independent judgment when making decisions;
* Publicly, directors are expected to support the objectives of the organisation;
* directors must keep Board information, discussions, deliberations, and decisions that are not publicly known, confidential.

Directors must comply with their legal duties when discharging their responsibilities as directors.

Broadly, these duties are:

1. to act in good faith and in the best interests of the organisation; and
2. to act with care and diligence;
3. to act for proper purpose;
4. to declare a conflict of interest or duty; and
5. to refrain from making improper use of information gained through the position of director or taking improper advantage of the position of director.

**Conflicts of Interest**

Directors are expected to be sensitive to conflicts of interest or duty that may arise and mindful of their obligations as a director.

Directors must:

* disclose to the Board any actual or perceived conflict of interest or duty that might reasonably be thought to exist as soon as the situation arises:
* take necessary and reasonable action to resolve or avoid any actual or perceived conflicts of interest or duty; and
* comply with the organisation constitution.

If a conflict of interest exists, it is expected that any director to whom the conflict relates will leave the room when the Board is discussing any matter to which the conflict relates.

**Access to information and independent advice by directors**

Directors have access to any information they consider necessary to fulfil their responsibilities and to exercise independent judgment when making decisions.

Directors have access to:

* Seek explanations and information from management; and
* Seek any independent professional advice they consider necessary to fulfil their responsibilities with approval from the chairperson, and exercise independent judgment when making decisions in accordance with the procedure agreed by the chairperson.

**Code of Conduct**

REACH Limited has a Code of Conduct setting out its obligations to all stakeholders including employees, tenants, members and the community.

Each director and employee will be given a copy of the code of conduct applicable to their position when joining the organisation.

**Review of Board performance**

The Board Recruitment Subcommittee will annually review:

* The Board’s role;
* The processes of the Board and Board Subcommittees;
* The Board’s performance;
* Each director’s performance and
* Each director’s skill set;

**Approved and adopted**

This charter was approved and adopted by the REACH Limited Board of Directors on

Date: May 2014

Signed: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ Regional Manager