



**The Fred Hollows
Foundation**

www.hollows.org

CORPORATE GOVERNANCE CHARTER

Adopted by the Board on 24th June 2009

Revised: November 2016 & July 2014

PREAMBLE

The Fred Hollows Foundation is an independent, secular development agency, established in Australia in 1992. It now operates in Africa and Asia as well as in remote Indigenous communities in Australia.

Inspired by ophthalmologist and human rights activist, the late Professor Fred Hollows, The Foundation works for a world where no-one is needlessly blind and Indigenous Australians enjoy the same health and life expectancy as other citizens.

The Foundation is constituted as an unlisted public company limited by guarantee under Australian law. It is a membership-based, not-for-profit, non-government organisation. It is governed by the relevant provisions of the Corporations Act 2001 and its own Constitution adopted by the members in 2004, as subsequently amended. The Foundation is also registered as a charity with the Australian Not-for-profit Charities Commission and must meet its requirements including certain governance standards, and is also registered for fundraising purposes with State and Territory authorities.

As a member of the Australian Council for International Development (ACFID), The Foundation is bound by the ACFID Code of Conduct. It is fully accredited by the Commonwealth Government's Department of Foreign Affairs and Trade (DFAT) – a status that must be reviewed and renewed every five years.

Responsibility for ensuring the good governance of the organisation rests with the Board of voluntary Directors comprised of a minimum of five and a maximum of 13 people. Seven of these Board positions are reserved for Directors elected by the Members of The Foundation at the AGM ('Elected Directors'). The remaining positions may be filled by the Board ('Appointed Directors'). Two office bearers – the Chair and the Deputy Chair – are also appointed by the Board from amongst the full pool of Directors. Gabrielle Hollows is recognised in the Constitution as the Founding Director and has the right of life membership on the Board.

PURPOSE

This Charter sets out the principles and practices that The Foundation's Directors will uphold and implement to fulfil the public trust vested in them to protect Fred's legacy and fulfil his vision.

In exercising this responsibility, Directors will be guided by the values and passions that imbued Fred's life:

- A confidence that restoring sight to people who are needlessly blind opens up new options for them and enriches their families and communities
- A commitment to respect, promote and protect the rights of Aboriginal and Torres Strait Islander people, and particularly their rights to health and life expectancy on a par with other Australians
- A determination to contribute in a meaningful way to a more equitable world where high quality health care is available to all
- A conviction that our goals can only be achieved if we work in true partnership with local people and agencies and support them to find their own lasting solutions
- A belief that the best path forward is always found through openness and collaboration, and through forging effective partnerships with people and agencies of like mind who share those values.

SPECIFIC OBJECTIVES

This Charter outlines the ways in which Directors will:

- Be accountable to all stakeholders
- Ensure that The Fred Hollows Foundation is well-governed and well-managed and hence capable of achieving good outcomes
- Protect and enhance Fred Hollows' legacy and reputation and the value and standing of the Fred Hollows brand, and respect the concerns and interests of the Hollows family
- Strive for excellence in governance and provide responsible, ethical and creative leadership
- Implement effective financial and risk management oversight to ensure continued organisational viability and sustainability
- Assist The Foundation's Management team as requested to nurture and develop critical relationships and partnerships to progress the vision and work of the organisation
- Ensure transparency and integrity of information to members and other stakeholders concerning The Foundation's operations, challenges and achievements.

GLOBAL GUIDING PRINCIPLES

Adherence with the global guiding principles ensures that all strategic decisions are supported by and reflect the desired governance framework of The Foundation.

GLOBAL PRINCIPLE 1 – PROTECT AND NURTURE THE BRAND AND REPUTATION OF THE FOUNDATION

The Foundation's brand remains central to achieving our strategic objectives and we will ensure that our governance approach, policies, procedures and risk management will always seek to protect and nurture the brand and reputation of The Foundation.

GLOBAL PRINCIPLE 2 – ENSURE THAT THE DIRECTION, GOALS, STRATEGIES AND ACTIONS OF OTHER FHF ENTITIES ARE FULLY ALIGNED AND AGREED TO WITH THE FHF (PARENT ENTITY) AND ITS BOARD.

Recognising the need for entities to fully comply with local and national laws and regulations, we will organise The Foundation to best deliver against our strategic goals whilst ensuring the constitutions, structure, policies and procedures of all The FHF entities are effectively aligned with and are in support of the parent entity of The FHF and its Board.

GLOBAL PRINCIPLE 3 – MAINTAIN A SINGLE ENTITY TO MANAGE THE GOVERNANCE OF THE GLOBAL ENTITIES (I.E. A UNITARY STRUCTURE)

We are a global organisation, not a Federation or Confederation. The parent company Board will maintain an international structure that enables global agreement and alignment of our mission, strategy and its execution. We will work with our subsidiaries and other FHF entities towards common objectives, while respecting the local cultures and different approaches.

GENERAL PRINCIPLES

The Board will fulfil these objectives by implementing the principles that are summarised in brief on the following page and set out in detail thereafter.

These Principles are supplemented elsewhere by specific policies, procedures and guidance documents on key elements.

PRINCIPLE 1 – PROVIDE LEADERSHIP AND ADD VALUE

The Board will provide leadership through informed deliberation that sets the organisation's vision, broad policies and strategic plans. We take ultimate responsibility for the effective functioning of the organisation, its sustainability and the protection of the 'Fred Hollows' name and brand.

PRINCIPLE 2 – LAY SOLID FOUNDATIONS FOR MANAGEMENT AND OVERSIGHT

The Foundation will ensure organisational clarity about the respective roles and responsibilities of Board and Management and the interface between the two. The Board will always seek to establish and maintain positive relationships with the CEO and, through him or her, with other managers of The Foundation. We will provide honest, direct and timely feedback to the CEO on the performance of the Management, but will not seek to directly intrude on or supplant the CEO's responsibility to manage the organisation.

PRINCIPLE 3 – STRUCTURE THE BOARD TO ACHIEVE THE BEST OUTCOMES

We will organise the business of the Board and utilise our skills and expertise as individuals in the most effective ways to discharge the Board's duties and to advance the goals of The Foundation.

PRINCIPLE 4 – BE ACCOUNTABLE TO OUR MEMBERS AND RESPECT THEIR RIGHTS

We acknowledge the trust our members have placed in us, respect their rights to hold us to account, and pledge transparency in our relationship with them.

PRINCIPLE 5 – MAKE PARTNERSHIP AND COLLABORATION THE HALLMARKS OF OUR WORK

Recognising Fred Hollows' commitment to collaboration in his work, and his determination to mobilise resources efficiently through cooperation, The Foundation will work through strong partnerships at both the governance and operational levels, emphasising cooperation and collaboration as central to the way we plan and work.

PRINCIPLE 6 – BUILD RESOURCES AND A CULTURE OF FINANCIAL TRANSPARENCY

We are committed to ensuring The Foundation has the resources to achieve agreed strategic objectives, and to making full and accurate information available about The Foundation's financial position.

PRINCIPLE 7 – IDENTIFY AND MANAGE RISK WITHOUT BEING RISK-ADVERSE

We are willing to take risks to achieve results, but do so only with open eyes and when confident they can be satisfactorily managed.

PRINCIPLE 8 – STRIVE FOR GOVERNANCE EXCELLENCE AND CONTINUAL IMPROVEMENT

We will challenge ourselves to achieve excellence in governance and will take active steps to enhance our performance as a Board.

PRINCIPLE 1 – PROVIDE LEADERSHIP AND ADD VALUE

The Board will provide leadership through informed deliberation that sets the organisation's vision, broad policies and strategic plans. We take ultimate responsibility for the effective functioning of the organisation, its sustainability and the protection of the 'Fred Hollows' name and brand.

In accepting this responsibility for leadership and good outcomes, the Board will:

- Ensure that The Foundation's vision informs strategic and operational planning and decision-making
- Determine the broad policies and the strategic plan that will further the vision, principles and objectives of The Foundation and enable the achievement of agreed key objectives
- Establish financial and risk management policies that support The Foundation's strategic plans and protect the organisation's current and future viability and the Fred Hollows brand
- Approve an annual business plan and budget that is developed and implemented by Management and consistent with the strategic framework
- Ensure there are adequate resources to meet the organisation's approved annual business plan and budget, as well as reasonable prospects of being able to meet the requirements of the agreed multi-year strategic framework and an adequate level of reserves in the event the organisation is wound up
- Ensure Management implements appropriate management, compliance, information and control systems for monitoring organisational performance and to ensure integrity, accuracy and timeliness in terms of financial reporting to the Board and full compliance with statutory and regulatory obligations and any applicable codes of practice

- Build the membership of the organisation, respect the rights of members, be accountable to them and work with Management to ensure the value of their expertise is realised to further the goals of The Foundation
- Recruit, encourage and support the CEO, monitoring and evaluating his or her performance and, through the Chair, providing timely, constructive feedback and mentoring and, if necessary, terminating the employment contract
- Constructively test and, if necessary, challenge key assumptions and strategies proposed by Management to ensure robust planning and risk management are built into The Foundation's way of working
- Perform its functions so as to enhance the public standing of The Foundation
- Maintain oversight and governance of (including appointments to) FHF subsidiaries and significant partnerships as determined by the Board
- Develop the collective capacities of the Board and regularly evaluate Board performance
- Renew and evolve the composition of the Board and its complement of skills through good succession planning so as to support the strategy of The Foundation over the long term.

To contribute to the fulfilment of these collective responsibilities, each Director will:

- Become knowledgeable about The Foundation – its history, vision, programs, principles, strengths and challenges
- Apply her or his skills, attributes, networks and expertise to advancing the objects and work of The Foundation
- Allocate sufficient time to understand and discharge his or her duties as a director, and beyond the statutory duties, allocate time and effort to be involved in and connected with the community of stakeholders (internal and external), partners and supporters of The Foundation
- Act in good faith and in the best interests of the organisation, and declare any actual or potential conflicts of interests annually and also at the commencement of each Board and Committee meeting in accordance with The Foundation's policy
- Understand the distinction between the respective roles of Board and Management, and be respectful of those distinctions while seeking to build and maintain positive, constructive engagement with the CEO and her or his Management team
- Contribute informed views, judgment and discernment to the Board's deliberations and decision-making, questioning and challenging as appropriate in a constructive way that focuses on outcomes and on identifying optimal paths to achieve agreed strategic goals
- Adhere to the principle of cabinet solidarity, and be supportive of all decisions properly made by the Board
- Be willing to serve on Board committees or to take on specific responsibilities within the Board as requested by the Board and/or the Chair, where this is practicable
- Not use information gained as a Director for any purpose other than to further the goals and objectives of The Foundation
- Take no personal advantage from the role as a Director, and neither accept nor offer any gifts or favours from or to any individual or entity which does business with the organisation beyond small tokens of appreciation where this is culturally appropriate
- Exercise the same degree of care, diligence and skill that a reasonably prudent person would exhibit in comparable circumstances.

These duties are set out in a formal Letter of Appointment which is signed by all Directors.

PRINCIPLE 2 – LAY SOLID FOUNDATIONS FOR MANAGEMENT AND OVERSIGHT

The Foundation will ensure organisational clarity about the respective roles and responsibilities of Board and Management and the interface between the two. The Board will always seek to establish and maintain positive relationships with the CEO and, through him or her, with other managers of The Foundation. We will provide honest, direct and timely feedback to the CEO on the performance of the Management, but will not seek to directly intrude on or supplant the CEO’s responsibility to manage the organisation.

The Foundation’s goal is to ensure that the relationship between the Board and Management team is open, honest, good-natured and constructive, and grounded in mutual respect so as to advance the vision and objects of the organisation.

This matter has been discussed over several years in The Foundation and agreement has been reached that, while existing along a continuum, the respective roles and responsibilities are best viewed in the following way:

Board role	Management role
Be custodians of the founding spirit, of Fred’s legacy and of the Fred Hollows brand	Implement measures to protect and enhance the brand and build on Fred’s legacy, guided by the founding spirit
Ensure there is a business in the long-term	Manage the business today and for tomorrow
Recruit, support, and monitor the performance of and (through the Chair) provide guidance and coaching to the CEO	Recruit, support and monitor the performance of senior managers and the broader management team
Debate, consider and determine broad strategic directions and policies, always taking into account the expertise and advice of Management	Provide information, advice and recommendations to inform strategic decision-making
Monitor the performance of the organisation	Implement the broad strategic directions and policies established by the Board, and provide information so the Board can carry out its monitoring role.
Monitor the adequacy of and outcomes from risk management processes	Design and implement risk management processes
Review the budget to ensure it is aligned to the strategy and affordable, approve it and monitor its implementation	Propose the budget, work to it and report on progress against it

The management of The Foundation is entrusted to the CEO – a position which the Board is responsible for recruiting and managing. Our approach is to set parameters for the CEO rather than to rigidly prescribe or limit his or her actions. The CEO presents a budget and operating plan to the Board each year. The Board reviews and approves these (either with or without amendment) and, having done so, then delegates responsibility to the CEO to implement the plan and manage the budget.

The CEO is authorised to amend any element of the operating plan and expenditure allocations within tolerances set from time to time by the Board. However, any substantial change in the profile

of The Foundation or the nature of its business would only be possible after substantive discussion with the Board including a review of the strategic framework.

The CEO is the conduit between the Board – both as a whole and as individual Directors – and the staff. He or she works with the Chair to ensure the information interchange between the Board and the Management team is open, transparent and effective, and to build and maintain a Board/Management relationship that is honest, good-natured and constructive. Management information is the property of The Foundation, and The Board has the right to access any information it may feel is necessary or desirable for it to carry out its functions.

The CEO and Chair develop agendas for Board meetings and strategic planning meetings. The CEO is responsible for ensuring the Board receives high quality, timely reports from Management and relevant information to enable the Board to make informed judgments and decisions concerning matters dealt with in Board meetings and other matters of strategy, and regarding progress against agreed organisational Key Performance Indicators (KPIs). The CEO, in consultation with the Chair, provides the Board with sound and timely advice on key strategic and operational matters and relationships, and ensures there is an effective Management team in place.

Directors are responsible for supporting and encouraging the CEO. Care is taken not to undermine his or her authority and standing with staff, including through ensuring that any direct contact we have with staff is with his or her knowledge and consent. However, consistent with the principle of openness and honesty, a member of staff who believes misconduct has occurred on the part of the CEO has the right to discuss the matter directly and confidentially with the Chair of the Board.

Directors will, as their schedules permit, provide advice and assist the work of the organisation where the CEO believes this would be valuable.

Annually the Chair undertakes a formal review of the performance of the CEO and reports to the Board-in-session on the results and the proposed remuneration package in accordance with the agreed employment contract. This decision is taken by the Board.

PRINCIPLE 3 – STRUCTURE THE BOARD TO ACHIEVE THE BEST OUTCOMES

We will organise the business of the Board and utilise our skills and expertise as individuals in the most effective ways to discharge the Board's duties and to advance the goals of The Foundation.

Managing the work of a Board is a complex task and requires Directors to work well together to make the Board function effectively.

Effective functioning requires agreement as to how business will be done and for specific tasks to be allocated to particular Directors or committees, while not detracting from the Board's shared responsibility for The Foundation as a whole. This is particularly true in organisations such as The Foundation that are comprised solely of voluntary Directors.

Role of the Chair

The Foundation has paid particular attention to the role of the Chair of the Board. While it includes all duties prescribed by the Constitution and the Corporations Act, the responsibilities of the Chair in The Foundation goes well beyond this.

The Chair leads the Board and the whole Foundation through promoting a culture of excellence, integrity, respect, transparency, collaboration, and compliance with both organisational vision and relevant laws.

In particular, the Chair:

- develops meeting agendas with the CEO that focus Board attention on its strategic stewardship, financial stewardship, policy formation, decision-making and oversight roles
- facilitates a proper flow of communication and information to assist the Board to fulfil its functions, both during and between Board meetings
- chairs Board meetings and ensures they are conducted in a way that promotes engagement, understanding, effectiveness, efficiency, and ethical behaviour and decision-making
- ensures and participates in an induction process for new Directors, and in the ongoing process of Board and director development
- ensures succession planning is informed and ongoing
- takes the lead role in CEO succession planning, recruitment and performance assessment
- establishes a productive working relationship with the CEO that is open, honest, good-natured and constructive and grounded in mutual respect, and provides the CEO with specific support and guidance without interfering in operational matters
- sets the “tone at the top”, that is, the values and culture within the Board
- represents the views of the Board to, and liaises with, the Chairs of other Fred Hollows entities
- reports to members at the AGM and is always open to communication with members
- as appropriate and in consultation with the CEO, represents the Foundation externally, maintains contact with Foundation country offices and participates in Foundation forums as agreed with the CEO.

The Chair may call on the Deputy-Chair with some or all of these functions.

Role and operation of Committees

The Board, acting as a whole, is responsible for The Foundation overall. Committees advise and make recommendations to the Board but do not make decisions for the Board.

The Board in consultation with the CEO:

- determines the Terms of Reference (ToRs) for Committees, including their roles, responsibilities and composition and how they will operate and report to the Board
- appoints the members of Committees, who may include people (preferably Foundation members) who are not Directors but have specific skills or expertise that is relevant to the ToR of that Committee
- reviews the performance and effectiveness of Committees, the appropriateness of ToRs and membership annually, usually at the first meeting held after the AGM.

Committees do not have authority to speak or act for the Board except when formally given such authority in the ToR or by specific resolution of the Board. The Chair of each Committee carries responsibility for ensuring that the principles outlined in this Charter are observed in the way that each Committee operates and performs its functions.

The Chair of each Committee ensures that minutes of meetings are kept and are circulated to all Directors at the following Board meeting. Each Board meeting is provided with the minutes of Committee meetings. Chairs of Committees must ensure the Board is informed about key issues arising from the Committee's deliberations and, either personally or by delegation, ensure the Committee is represented at the Board meeting and able to elaborate as required on issues of interest to the Board.

The ToRs of all Committees are provided to Directors upon their appointment as part of induction. ToRs are also available to all Directors on request from the Chair or the CEO. Each Director will ensure he or she is familiar with the role and functions of the Committees and with the membership of each Committee.

Experience and skill mix of Directors

The Foundation seeks to ensure that the Board as a whole contains the appropriate expertise, knowledge, experience and competence to support the strategic plans of the organisation in the near and longer terms, and to provide sound governance and stewardship for the organisation overall.

As a young organisation inspired by and committed to further the work of Fred Hollows, we also seek to ensure wherever possible that the experience and skills of the Board and Committees meet the current needs of The Foundation, and may include:

- people who directly knew and worked with Fred and/or have a long association with the organisation
- ophthalmologists and other relevant health experts
- Indigenous people, especially those with experience in health and development
- people with skills and experience in international and Indigenous development
- people with skills and experience in strategic partnerships and advocacy
- people with experience in growing organisations profitably, ethically and sustainably, and with specific skills in fundraising, resource mobilisation, business and commerce and financial management – in Australia and internationally
- people with strong strategic capabilities and experience
- people with strong governance experience, particularly in multi-national organisations
- a balance of men and women and a mix of life experience.

Each Director recognises and embraces the fact that the complement of skills within the Board will need to change over time as the organisation grows and evolves. Directors will monitor their own contribution to the Board to ensure their contribution remains relevant and active, and will proactively consult with the Chair about their own role and contribution to assist with succession planning.

The Governance and Nominations Committee is explicitly charged with advising the Board to ensure it reflects appropriate diversity and is comprised of the skills and expertise needed to guide the organisation in the realisation of Fred’s vision in the near and longer terms.

Gender mix of Directors

The Fred Hollows Foundation is strongly committed to gender equality in every aspect of its work, and understands that gender equality can contribute to achieving its vision of a world in which no person is needlessly blind and Indigenous Australians exercise their right to good health.

The Board recognises its key role in the realisation of gender equality at The Foundation (and in The Foundation’s work). Specifically, the Board understands that:

- The “tone from the top” heavily influences the culture of the organisation; and
- The different perspectives that gender diversity presents may lead to increased board effectiveness.

The Board has therefore adopted the principle of seeking equal representation of men and women in its board membership, with a target of achieving gender equality in board composition within the next three years.

In order to achieve this objective, the Board will ensure all relevant policies and processes support this principle, including but not limited to, the Board’s director recruitment and selection guidelines.

PRINCIPLE 4 – BE ACCOUNTABLE TO OUR MEMBERS AND RESPECT THEIR RIGHTS

We acknowledge the trust our members have placed in us, respect their rights to hold us to account, and pledge transparency in our relationship with them.

The Foundation is a membership-based organisation. Building this base is one of our important functions as Directors for three reasons:

- The willingness of people to become members demonstrates that there is public support for the charter and work of FHF, and ongoing commitment to Fred Hollows’ vision and work. Membership complements the other key indicator of public support, namely financial donations.
- The membership base provides an important “pool” for future Board members, given the Constitution specifies that only members of The Foundation may become Elected Directors.
- People who consciously choose to become members are likely to be willing to assist The Foundation in concrete ways if asked to do so and to be champions of the organisation in their personal and professional lives.

The Board is committed to developing a diverse membership base so that:

- The Foundation as a whole continues to reflect the spirit of Fred who attracted support from people from all walks of life, and through the members is engaged across broad and diverse cross-sections of the community.
- The Board and Management have ready access to the range of skills and experience needed to ensure the organisation remains true to its charter and performs well.

- The pool of resources available within the membership base as a catchment for future Board and Committee succession is continually developed and evolves consistent with The Foundation's strategic direction.

Directors will respect the rights of members as set out in both the Corporations Act and the Constitution, including their rights to:

- nominate and elect Directors (other than the Appointed Directors and the Founding Director)
- receive the Financial Statements, including the annual Director's Report
- call and receive notices of general meetings, and propose resolutions
- control the Constitution and any amendments to it.

The Board will also ensure that The Foundation maintains openness and engagement with members, ensuring that they:

- are sent a range of other materials and publications to keep them informed of The Foundation's work and programs
- have opportunities to meet and mix with the international and Australian-based managers as well as with the Board
- receive open, honest and prompt responses to all enquiries or comments.

PRINCIPLE 5 – MAKE PARTNERSHIP AND COLLABORATION THE HALLMARKS OF OUR WORK

Recognising Fred Hollows' commitment to collaboration in his work, and his determination to mobilise resources efficiently through cooperation, The Foundation will work through strong partnerships at both the governance and operational levels, emphasising cooperation and collaboration as central to the way we plan and work.

Both Fred Hollows' legacy and The Foundation's ambitious development goals propel and oblige the Foundation to develop and work through partnerships with people and organisations who share our goals and principles – in Australia, in the countries where we have programs, and globally.

Although Fred was impatient with bureaucracy and preferred to lead by example, he was never a loner and had no tolerance for petty politics. He always sought out colleagues to work alongside him, nurtured his partners, and sought to align strategic and work plans with them in order to be more effective and have a bigger impact.

The Board is committed to continuing Fred's collaborative and cooperative way of working – an approach that is central to the mandate of all the organisations founded in his name to carry on his work.

The Foundation has strategic partnerships with three main groups of organisations:

- other 'Fred Hollows' entities
- international bodies with whom we share key objectives
- other agencies and/or professional bodies, whether based overseas or in Australia, whose charters and objectives are relevant to our work.

There are a number of legally independent entities domiciled elsewhere in the world that bear the 'Fred Hollows' name – please see Attachment 1.

The Foundation (domiciled in Australia) owns and controls the registered trademarks associated with the name and executes formal Trademark Licence Agreements with these entities which allow them to use the name for specified purposes and in specified territories. Amongst other matters, these Agreements commit all parties to a broad global strategic framework around blindness prevention and to some basic standards for good governance, development practice and business operations.

The Board approves these Licence Agreements and is responsible for the development of relationships with the governance bodies of the other Fred Hollows entities in a way that builds upon and supports The Foundation's strategic goals. As a general rule, the Chair acts as the principal conduit for liaison between the Board of The Foundation and the governance bodies of the other Fred Hollows entities. (The exception to this general statement is the relationship with the IOL laboratories which is now largely operational in nature and managed by the CEO or his delegate.)

As a Board, we wish to see these governance partnerships with other Fred Hollows entities characterised by a:

- Shared commitment to the fight against avoidable blindness and to the principles of good development practice
- Recognition of the need for protection of the Fred Hollows' name and brand
- Respect for the continuing connection of Fred Hollows' name with the Hollows family
- Mutual conviction that open exchange of information, dialogue, cooperation and collaboration will strengthen each entity and the network of entities representing Fred Hollows
- Respect for each entity's achievements, stage of development and circumstances
- Recognition that autonomy of each organisation is not absolute but must be exercised in a way consistent with the shared representation of Fred Hollows, his principles and work and within an overarching framework of inter-dependence
- Active and positive collaboration in all areas of our work
- Relational harmony that is grounded in believing the best of each other even when we have different perspectives
- Readiness to share knowledge and resources, and to support each other whenever and wherever possible to ensure outcomes are optimised for the people in need to whom Fred Hollows dedicated his life's work
- Desire for systematic coordination of strategic and operational planning to increase our collective impact and ensure optimal resource efficiency
- Transparency in our dealings with each other so there are no secrets and no surprises
- Readiness to be accountable to each other because of our shared histories and goals.

At an operational level, the CEO and Management team is responsible for implementing these partnerships with the other 'Fred Hollows' entities.

The goal at both governance and operational levels is to create and maintain a cooperative, collaborative, interdependent global network operating in Fred's name.

Beyond this, the CEO has carriage of identifying and building fruitful program and other partnerships that align with and progress The Foundation's operations. It is the responsibility of the CEO to keep the Board informed of key developments or issues arising from The Foundation's involvement with domestic, in-country and international partner bodies and to bring any matters requiring Board decision or involvement to the attention of the Board.

PRINCIPLE 6 – BUILD RESOURCES AND A CULTURE OF FINANCIAL TRANSPARENCY

We are committed to ensuring The Foundation has the resources to achieve agreed strategic objectives, and to making full and accurate information available about The Foundation's financial position.

The Board is responsible for the financial health of the organisation. While the day-to-day work of raising funds is delegated to the CEO, medium and long-term financial and asset management strategies are developed in consultation with the Board and it is the Board's responsibility to ensure they support the broader strategic objectives of the organisation. Directors commit to contribute to raising resources wherever their individual skills or contacts can be helpful.

The Board is responsible for ensuring that Management has implemented processes and systems for the effective monitoring of the organisation's financial position and to ensure members and other stakeholders are able to obtain accurate, timely information in relation to The Foundation's affairs.

The Board meets these obligations through:

- ensuring integrity in all financial reporting by monitoring the systems of financial management and control put in place by Management
- scrutinising and approving annual budgets to ensure they reflect agreed objectives and priorities and are based on realistic assumptions
- approving and regularly reviewing a Reserves Policy to ensure future financial sustainability and an ability to meet all debts and obligations in the event the company is wound up
- receiving and reviewing quarterly management accounts to monitor progress against budget
- identifying major financial risks and ensuring they are managed effectively
- engaging external auditors to examine the annual financial accounts in accordance with Australian and International Accounting Standards, the ACFID Code of Conduct and applicable fundraising laws, and ensuring that any recommendations of the auditors are acted upon
- publicly disclosing any loans to or transactions with members of the Board, and requiring the CEO to disclose to the Board any loans to staff
- giving our members the full audited accounts as well as a verbal report from the Chair of the Finance and Audit Committee at the AGM where questions can be asked and answered
- publishing the audited accounts and an accessible summary on our website

- lodging the accounts and related reports with the required regulatory authorities within the required timeframes
- declaring any significant changes in the company's state of affairs in the annual Directors' Report which is mailed to members and published on our website
- reviewing the ACFID Code of Conduct annually to ensure continuing compliance with its financial management and disclosure requirements.

The Finance and Audit Committee assists the Board to fulfil its obligations in these matters. It meets at least on a quarterly basis and reports to each Board meeting.

PRINCIPLE 7 – IDENTIFY AND MANAGE RISK WITHOUT BEING RISK-ADVERSE

We are willing to take risks to achieve results, but do so only with open eyes and when confident they can be satisfactorily managed.

Fred Hollows was a man who relished challenges and was prepared to take great risks to conquer them. As a result, The Foundation has always had a higher-than-average appetite for risk in the delivery of our programs. As a Board, we need to be true to this legacy at the same time as recognising that we have organisational obligations that require exercising due care and reasonable caution. Our goal is an organisational culture that is unafraid of grasping programmatic and technological opportunities and innovations but also has good systems of risk identification, mitigation and management.

The Board is both the first and last line of defence in terms of risk management – the first line because it sets the overarching directions and policies for the organisation and appoints and supports the CEO who implements them, and the last line because it is charged with ensuring that appropriate systems are in place to allow for effective management and corporate compliance.

The Board's specific risk management responsibilities include:

- satisfying ourselves that Management has effective risk identification, disclosure, mitigation, and management systems and practices
- monitoring compliance with all legal, regulatory and code requirements
- establishing key policies in areas such as child protection, counter-terrorism, limits and delegations of authority, and protocols for managing crises
- ensuring that regular strategic planning processes identify any risks and uncertainties in the economic, societal, technological, regulatory, political and industry environments in which we work, and factoring these in to our decision-making
- protecting the brand through a satisfactory trademark regime, and our human and physical assets through adequate risk management systems and insurance coverage
- considering the reasonable expectations of all stakeholders when determining what risks should be taken or avoided
- undertaking the financial risk management practices set out in Principle 6
- ensuring the future viability of the organisation through effective Board, Chair and CEO succession planning.

Each of the Board Committees has a role to play in risk identification, mitigation and management and in advising the Board in this area.

PRINCIPLE 8 – STRIVE FOR GOVERNANCE EXCELLENCE AND CONTINUAL IMPROVEMENT

We will challenge ourselves to achieve excellence in governance and will take active steps to enhance our performance as a Board.

Ultimately we are collectively accountable to ourselves as a Board and individually to each other as Directors, and we take this accountability seriously. We are committed to understanding the factors that most affect quality in governance and to continually improving our performance.

The Board employs the following mechanisms and processes to help with ensuring effective performance:

- Wherever possible, interaction with The Foundation’s in-country managers, medical advisers and other field staff to deepen our understanding and keep us focused on their needs, operating environment and local challenges.
- Meeting agendas that are carefully structured and timed to ensure we focus on policy and strategic matters and avoid crossing over into operational matters
- Regular skill and competency audits of the current Directors to identify gaps and weaknesses and how they can be addressed
- Annual review of Board Committees
- Fixed term lengths and limits on the number of consecutive terms that Directors can serve
- A specific line item in the annual budget for the Board and its work, and specific staff allocated to act as secretariats for the Board and each of its Committees
- Development of multi-year Strategic Plans
- Chair approval of all Board development initiatives.
- Individual Board development initiatives will be signalled as an outcome of an annual performance discussion between the Chair and the Board member.
- A full induction program for new Board members including the provision of a comprehensive Board Kit containing the Constitution and history of the organisation, significant developments, organisation chart and staffing structure, all policies and other information relevant to the work and travel of directors and resumes of all directors and senior executives.
- A formal external review of Board effectiveness and performance will be undertaken every 2 years to inform the Board of development priorities and activities, an internal review will be conducted on alternate years. The reviews will be in a form decided by the Chair in consultation with the Board.
- At the time of the preparation of the annual budget, the Chair will indicate the nature of the proposed Board development activities required to be included for Board development in the coming year.
- All Board members will be encouraged to undertake an Australian Institute of Company Directors Course, or equivalent, within 2 years of their appointment. At the discretion of the Chair, financial support will be provided by The Foundation where necessary.

- The Foundation will attempt to hold one Board meeting every 2-3 years in a country of operation or in a location facilitating ease of access to a country of operation. As with all Board meetings, The Foundation will meet the full costs of the Board members' participation in this meeting.
- All Board members will be encouraged to undertake a visit to a country program at least once every three years. At the discretion of the Chair financial support will be provided by The Foundation where necessary.
- All expenditures on Board activities will be disclosed in The Foundation's accounts and reported at Board meetings.

This will continue to remain an area of focus and continuing quality improvement.

Appendix 1

Legally Independent Entities domiciled elsewhere in the world that bear the 'Fred Hollows' name:

- The Fred Hollows Foundation New Zealand
- The Fred Hollows Foundation United Kingdom
- The Fred Hollows Foundation Kenya
- The Fred Hollows Foundation Hong Kong
- The Fred Hollows Intraocular Lens Laboratory, Eritrea
- The Fred Hollows Intraocular Lens Laboratory, Nepal