

## ORG – 004 v. 4.2

### Business Operations

# Corporate Governance Charter

## Global

Policy Owner: Company Secretary

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### 1. PURPOSE

- 1.1 The Fred Hollows Foundation (**The Foundation**) is committed to ensuring good governance is embedded in its corporate culture. This Charter sets out the principles and practices that the Board directors of The Foundation (**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 of integrity, collaboration, empowerment and action and the passions that imbued Fred’s life:
- 1.1.1 A confidence that restoring sight to people who are needlessly blind or vision impaired opens up new options for them and enriches their families and communities.
  - 1.1.2 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.
  - 1.1.3 A determination to contribute in a meaningful way to a more equitable world where high quality health care is available to all.
  - 1.1.4 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.
  - 1.1.5 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.

### 2. DEFINITIONS

**Director** means a director who sits on the Board of directors of the Foundation.

**Divisional Director** means a member of the Executive Management Group of the Foundation.

**FAC or Finance & Audit Committee** means the Board Committee that advises the Board as set out in the FAC Terms of Reference set out at Annexure 2, including on matters of finance, audit and risk among others.

**Fred Hollows Entities** has the meaning set out at paragraph 5.26.1 and includes the entities set out at Annexure 1 Part A.

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**Fred Hollows Licensees** has the meaning set out at paragraph 5.26.2 and includes the entities set out at Annexure 1 Part B.

**GNC or Governance & Nominations Committee** means the Board Committee that advises the Board as set out in the GNC Terms of Reference set out at Annexure 2, including on matters of governance, nominations / succession planning and safeguarding among others.

**Personnel** - A person who carries out work in any capacity for The Foundation which includes paid employees, contractors, sub-contractors, consultants, work experience students or volunteers.

**PPC or Programs and Partnerships Committee** means the Board Committee that advises the Board as set out in more detail in the PPC Terms of Reference at Annexure 2, including on matters of programs and partnerships among others.

**Terms of Reference or ToR** means the terms of reference approved by the Board for each of its Board Committees as reviewed annually and as amended from time to time, the current versions of which are set out at Annexure 2.

### 3. BACKGROUND

- 3.1 The Fred Hollows Foundation is an independent, secular development agency, established in Australia in 1992. It now operates in over 20 countries well as in Aboriginal and Torres Strait Islander communities in Australia.
- 3.2 Inspired by ophthalmologist and human rights activist, the late Professor Fred Hollows, The Foundation works for a world where no-one is needlessly blind or vision impaired and Aboriginal and Torres Strait Islander peoples enjoy the same health and life expectancy as other citizens.
- 3.3 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, the Australian Charities and Not-for-profits Commission Act and its own Constitution adopted by the members in 2004, as subsequently amended. The Foundation is 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.
- 3.4 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.
- 3.5 Internationally, The Foundation empowers locally through the use of the locally established but globally aligned Fred Hollows Entities to establish a network of synergy and as required by law.
- 3.6 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. Eight 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**). The Chair is

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#### References

appointed by the Board from amongst the full pool of Directors. Deputy Chair(s) may also be appointed by the Board. Gabrielle Hollows is recognised in the Constitution as the Founding Director and has the right of life membership on the Board.

## **4. GUIDING PRINCIPLES**

### **4.1 Global 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 REPUTATION OF THE FOUNDATION**

The Foundation’s reputation 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 Fred Hollows Entities are effectively aligned with and are in support of The Foundation 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 Foundation’s Board will maintain an international structure that enables global agreement and alignment of our mission, strategy and its execution. We will work with the Fred Hollows Entities and the Fred Hollows Licensees towards common objectives, while respecting the local cultures and different approaches.

### **4.2 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, values, 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

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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-AVERSE**

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 9 – NO WELFARE, EVANGELISM OR PARTISAN POLITICS**

The Foundation's principles of independence and self-sufficiency mean that we do not engage in or support welfare programs, evangelism, or partisan politics either in our own work or the activities and strategies we support and fund.

## **5. COMMITMENTS UNDER THIS POLICY**

5.1 This Charter outlines the ways in which Directors will:

5.1.1 Be accountable to all stakeholders.

5.1.2 Ensure that The Fred Hollows Foundation is well-governed and well-managed and hence capable of achieving good outcomes.

5.1.3 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.

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- 5.1.4 Strive for excellence in governance and provide responsible, ethical and creative leadership.
- 5.1.5 Implement effective financial and risk management oversight to ensure continued organisational viability and sustainability.
- 5.1.6 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.
- 5.1.7 Ensure transparency and integrity of information to members and other stakeholders concerning The Foundation's operations, challenges and achievements.

#### **PRINCIPLE 1 – PROVIDE LEADERSHIP AND ADD VALUE**

- 5.2 The Board will provide leadership through informed deliberation that sets the organisation's vision, values, 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.
- 5.3 In accepting this responsibility for leadership and good outcomes, the Board will:
  - 5.3.1 Ensure that The Foundation's vision informs strategic and operational planning and decision-making.
  - 5.3.2 Determine the broad policies and the strategic plan that will further the vision, values, principles and objectives of The Foundation and enable the achievement of agreed key objectives.
  - 5.3.3 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.
  - 5.3.4 Approve an annual business plan and budget that is developed and implemented by Management and consistent with the strategic framework.
  - 5.3.5 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.
  - 5.3.6 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.
  - 5.3.7 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.
  - 5.3.8 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.
  - 5.3.9 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.

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- 5.3.10 Perform its functions so as to enhance the public standing of The Foundation.
  - 5.3.11 Maintain oversight and governance of (including appointments to) Foundation subsidiaries and significant partnerships as determined by the Board.
  - 5.3.12 Develop the collective capacities of the Board and regularly evaluate Board performance.
  - 5.3.13 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.
- 5.4 To contribute to the fulfilment of these collective responsibilities, each Director will:
- 5.4.1 Become knowledgeable about The Foundation – its history, vision, programs, principles, strengths and challenges.
  - 5.4.2 Apply her or his skills, attributes, networks and expertise to advancing the objects and work of The Foundation.
  - 5.4.3 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.
  - 5.4.4 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.
  - 5.4.5 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.
  - 5.4.6 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.
  - 5.4.7 Adhere to the principle of Board solidarity, and be supportive of all decisions properly made by the Board.
  - 5.4.8 Be willing to serve on Board committees or to take on specific responsibilities within the Board or on related international entity boards as requested by the Board and/or the Chair, where this is practicable.
  - 5.4.9 Not use information gained as a Director for any purpose other than to further the goals and objectives of The Foundation.
  - 5.4.10 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.
  - 5.4.11 Exercise the same degree of care, diligence and skill that a reasonably prudent person would exhibit in comparable circumstances.
- 5.5 These duties are set out in a formal Letter of Appointment which is signed by all Directors.

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## PRINCIPLE 2 – LAY SOLID FOUNDATIONS FOR MANAGEMENT AND OVERSIGHT

- 5.6 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.
- 5.7 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.
- 5.8 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:

<b>Board role</b>	<b>Management role</b>
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

- 5.8.1 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.
- 5.8.2 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.
- 5.8.3 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

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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.

- 5.8.4 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 Strategic Goals. 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.
- 5.8.5 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 are to fulfil this support role in a manner consistent with their duties as directors.
- 5.8.6 Directors will, as their schedules permit, provide advice and assist the work of the organisation where the CEO believes this would be valuable. This includes supporting governance, capability building, and information sharing between directors and management.
- 5.8.7 Annually the Chair undertakes a formal review of the performance of the CEO and reports to the Board's in-camera 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**

- 5.9 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.
- 5.10 Managing the work of a Board is a complex task and requires Directors to work well together to make the Board function effectively.
- 5.11 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.
- 5.12 Role of the Chair
- 5.12.1 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.
- 5.12.2 The Chair leads the Board and the whole Foundation through promoting a culture of excellence, integrity, respect, transparency, action, collaboration, empowerment and compliance with both organisational vision and relevant laws.
- 5.12.3 In particular, the Chair:

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- (a) develops meeting agendas with the CEO that focus Board attention on its strategic stewardship, financial stewardship, policy formation, decision-making and oversight roles;
- (b) facilitates a proper flow of communication and information to assist the Board to fulfil its functions, both during and between Board meetings;
- (c) chairs Board meetings and ensures they are conducted in a way that promotes engagement, understanding, effectiveness, efficiency, and ethical behaviour and decision-making;
- (d) ensures and participates in an induction process for new Directors, and in the ongoing process of Board and director development;
- (e) ensures succession planning is informed and ongoing;
- (f) takes the lead role in CEO succession planning, recruitment and performance assessment;
- (g) 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;
- (h) sets the “tone at the top”, that is, the values and culture within the Board;
- (i) represents the views of the Board to, and liaises with, the Chairs of other Fred Hollows Entities;
- (j) reports to members at the AGM and is always open to communication with members; and
- (k) 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 one or more Deputy-Chair(s) with some or all of these functions.

### 5.13 Role and operation of Committees

5.13.1 The Board, acting as a whole, is responsible for The Foundation overall. Committees advise and make recommendations to the Board.

5.13.2 The Board in consultation with the CEO:

- (a) determines the Terms of Reference (ToRs) for Committees, including their roles, responsibilities and composition and how they will operate and report to the Board;
- (b) 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; and
- (c) reviews the performance and effectiveness of Committees, the appropriateness of ToRs and membership annually, usually at the first meeting held after the AGM.

5.13.3 Committees do not have authority to speak, act for the Board or make any decision except when formally given such authority in the ToR or by specific resolution of the Board. The Chair

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#### References

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.

5.13.4 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.

5.13.5 The ToRs of all Committees are provided to Directors upon their appointment as part of induction. ToRs are also available to all Directors at any time. Each Director will ensure he or she is familiar with the role and functions of the Committees and with the membership of each Committee.

#### 5.14 Experience and skill mix of Directors

5.14.1 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.

5.14.2 As an organisation inspired by and committed to further the work of Fred Hollows and for the purposes of good governance, 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:

- (a) people who directly knew and worked with Fred and/or have a long association with the organisation;
- (b) ophthalmologists and other relevant health experts;
- (c) Aboriginal and Torres Strait Islander peoples, especially those with experience in health and development;
- (d) people with skills and experience in international and Indigenous development;
- (e) people with skills and experience in strategic partnerships and advocacy;
- (f) 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;
- (g) people with strong strategic capabilities and experience;
- (h) people with strong governance experience, particularly in multi-national organisations; and
- (i) a balance of men and women and a mix of life experience.

5.14.3 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,

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and will proactively consult with the Chair about their own role and contribution to assist with succession planning.

5.14.4 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.

#### 5.15 Gender mix of Directors

5.15.1 The 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 or vision impaired..

5.15.2 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:

- (a) the ‘tone from the top’ heavily influences the culture of the organisation; and
- (b) the different perspectives that gender diversity presents may lead to increased Board effectiveness.

5.15.3 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 with a minimum ratio of no less than 40:60 to either gender at all times.

5.15.4 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**

5.16 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.

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

5.17.1 The willingness of people to become members demonstrates that there is public support for the charter and work of The Foundation, and ongoing commitment to Fred Hollows’ vision and work. Membership complements the other key indicator of public support, namely financial donations.

5.17.2 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.

5.17.3 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.

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- 5.18 The Board is committed to developing a diverse membership base so that:
- 5.18.1 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.
  - 5.18.2 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.
  - 5.18.3 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.
- 5.19 Given the nature of The Foundation's work, efforts are particularly directed at encouraging membership from amongst the following groups:
- 5.19.1 people with skills and experience in international and domestic development work, eye health and blindness prevention, and health more broadly;
  - 5.19.2 people with experience in "growing" organisations and companies, and with skills in the areas of resource mobilisation, financial management and accountancy;
  - 5.19.3 Aboriginal and Torres Strait Islander and other indigenous peoples, and other people with roots or connections in the communities and countries where The Foundation works;
  - 5.19.4 people who are influential in relevant fields, or who have a track record in successful public advocacy;
  - 5.19.5 people who have had a significant association with The Foundation, such as long-term supporters or former staff and consultants (while noting that the Constitution requires a passage of two years between employment and membership).
- 5.20 Directors will respect the rights of members as set out in both the Corporations Act and the Constitution, including their rights to:
- 5.20.1 nominate and elect Directors (other than the Appointed Directors and the Founding Director);
  - 5.20.2 receive the Financial Statements, including the annual Director's Report;
  - 5.20.3 call and receive notices of general meetings, and propose resolutions; and
  - 5.20.4 control the Constitution and any amendments to it.
- 5.21 The Board will also ensure that The Foundation maintains openness and engagement with members, ensuring that they:
- 5.21.1 are sent a range of other materials and publications to keep them informed of The Foundation's work and programs;
  - 5.21.2 have opportunities to meet and mix with the international and Australian-based managers as well as with the Board; and
  - 5.21.3 receive open, honest and prompt responses to all enquiries or comments.

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

- 5.22 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.
- 5.23 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.
- 5.24 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.
- 5.25 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.
- 5.26 The Foundation has strategic relationships with seven main groups of organisations:
- 5.26.1 related bodies corporate of The Foundation pursuant to the Corporations Act 2001 as set out at Annexure 1 Part A (the **Fred Hollows Entities**);
  - 5.26.2 other organisations that are not related but share a history and use the Fred Hollows name under trademark licence as set out at Annexure 1 Part B (the Fred Hollows Licensees);
  - 5.26.3 international bodies with whom we partner and share key objectives, for example Sightsavers;
  - 5.26.4 Government and institutional donors, for example DFAT’s Australian NGO Co-operation Program, UK’s Department for International Development and USAID;
  - 5.26.5 Governments as law and policy-makers;
  - 5.26.6 formal arrangements with some corporate partners; and
  - 5.26.7 other agencies and/or professional bodies, whether based overseas or in Australia, whose charters and objectives are relevant to our work, for example the United Nations.
- 5.27 The Foundation (domiciled in Australia) owns and controls the registered trademarks associated with the name and executes formal Trademark Licence Agreements with the Fred Hollows Entities and the Fred Hollows Licensees 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.
- 5.28 The Board is responsible for the development of relationships with the governance bodies of the other Fred Hollows Entities and the Fred Hollows Licensees in a way that builds upon and supports The Foundation’s strategic goals. As a general rule, the Chair and Company Secretary act as the principal conduit for liaison between the Board of The Foundation and the governance bodies of the Fred Hollows Entities and the Fred Hollows Licensees (The exception to this general statement is the

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relationship with the IOL laboratories which is now largely programmatic in nature and managed by the Director of Programs with support from the Directors of KIDS and the Chief Operating Officer).

- 5.29 As a Board, we wish to see these governance relationships with other Fred Hollows Entities and Fred Hollows Licensees characterised by a:
- 5.29.1 Shared commitment to the fight against avoidable blindness and to the principles of good development practice.
  - 5.29.2 Recognition of the need for protection of the Fred Hollows' name and brand.
  - 5.29.3 Respect for the continuing connection of Fred Hollows' name with the Hollows family.
  - 5.29.4 Mutual conviction that open exchange of information, dialogue, cooperation and collaboration will strengthen each entity and the network of entities representing Fred Hollows.
  - 5.29.5 Respect for each entity's achievements, stage of development and circumstances.
  - 5.29.6 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.
  - 5.29.7 Active and positive collaboration in all areas of our work.
  - 5.29.8 Relational harmony that is grounded in believing the best of each other even when we have different perspectives.
  - 5.29.9 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.
  - 5.29.10 Desire for systematic coordination of strategic and operational planning to increase our collective impact and ensure optimal resource efficiency.
  - 5.29.11 Transparency in our dealings with each other so there are no secrets and no surprises.
  - 5.29.12 Readiness to be accountable to each other because of our shared histories and goals.
- 5.30 At an operational level, the CEO and Management team is responsible for implementing these relationships with the Fred Hollows Entities and the Fred Hollows Licensees.
- 5.31 The goal at both governance and operational levels is to create and maintain a cooperative, collaborative, interdependent global network of synergy operating in Fred's name.
- 5.32 In 2019/2020 The Foundation intends to more closely align to the Fred Hollows Entities by putting in place a Collaboration Agreement with each that embeds the governance relationships set out above including each entity's purpose and contribution to the global strategic goals.
- 5.33 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.

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#### References

- 5.34 For relationships of a governance nature, for example the Fred Hollows Entities and the Fred Hollows Licensees, the Board will generally look to the GNC for advice. For relationships of a programmatic, sector or strategic nature, the Board will generally look to the PPC for advice.

#### **PRINCIPLE 6 – BUILD RESOURCES AND A CULTURE OF FINANCIAL TRANSPARENCY**

- 5.35 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.
- 5.36 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.
- 5.37 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.
- 5.38 The Board meets these obligations through:
- 5.38.1 ensuring integrity in all financial reporting by monitoring the systems of financial management and control put in place by Management;
  - 5.38.2 scrutinising and approving annual budgets to ensure they reflect agreed objectives and priorities and are based on realistic assumptions;
  - 5.38.3 approving and regularly reviewing a Capital & Investment Policy to ensure future financial sustainability and an ability to meet all debts and obligations in the event the company is wound up;
  - 5.38.4 receiving and reviewing quarterly management accounts to monitor progress against budget;
  - 5.38.5 identifying major financial risks and ensuring they are managed effectively;
  - 5.38.6 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;
  - 5.38.7 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;
  - 5.38.8 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;
  - 5.38.9 publishing the audited accounts and an accessible summary on our website;
  - 5.38.10 lodging the accounts and related reports with the required regulatory authorities within the required timeframes;
  - 5.38.11 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; and

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#### References

5.38.12 reviewing the ACFID Code of Conduct annually to ensure continuing compliance with its financial management and disclosure requirements.

5.39 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-AVERSE**

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

5.41 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.

5.42 The Board sets and monitors the overarching risk appetite, policies and framework for the organisation and appoints and supports the CEO who implements them and reports at least quarterly to the Board.

5.43 The Board's specific risk management responsibilities include:

5.43.1 satisfying ourselves that Management has effective risk identification, disclosure, mitigation, and management systems and practices;

5.43.2 monitoring compliance with all legal, regulatory and code requirements;

5.43.3 establishing key policies in areas such as: safeguarding people including child protection; financial crime including fraud, counter-terrorism and anti-money laundering; limits and delegations of authority; sustainability; and protocols for managing crises;

5.43.4 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;

5.43.5 protecting the brand through a satisfactory trademark regime, and our human and physical assets through adequate risk management systems and insurance coverage;

5.43.6 considering the reasonable expectations of all stakeholders when determining what risks should be taken or avoided;

5.43.7 undertaking the financial risk management practices set out in Principle 6; and

5.43.8 ensuring the future viability of the organisation through effective Board, Chair and CEO succession planning.

5.44 Each of the Board Committees has a role to play in risk identification, mitigation and management and in advising the Board in this area. While the FAC is accountable for advising the Board on Foundation risk generally, the GNC and the PPC are accountable for advising on risks that fall within their Terms of Reference.

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#### References

## **PRINCIPLE 8 – STRIVE FOR GOVERNANCE EXCELLENCE AND CONTINUAL IMPROVEMENT**

- 5.45 We will challenge ourselves to achieve excellence in governance and will take active steps to enhance our performance as a Board.
- 5.46 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.
- 5.47 The Board employs the following mechanisms and processes to help with ensuring effective performance:
- 5.47.1 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.
  - 5.47.2 Meeting agendas that are carefully structured and timed to ensure we focus on policy and strategic matters and avoid crossing over into operational matters.
  - 5.47.3 Regular skill and competency audits of the current Directors to identify gaps and weaknesses and how they can be addressed.
  - 5.47.4 Annual review of FAC, GNC, PPC and any other Board Committees.
  - 5.47.5 Fixed term lengths and limits on the number of consecutive terms that Directors can serve (currently three terms of three years each).
  - 5.47.6 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.
  - 5.47.7 Development of multi-year Strategic Plans.
  - 5.47.8 Chair approval of all Board development initiatives.
  - 5.47.9 Individual Board development initiatives will be signalled as an outcome of an annual performance discussion between the Chair and the Board member.
  - 5.47.10 A full induction program for new Board members including the provision of a comprehensive Board Kit containing the Constitution, this Policy 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.
  - 5.47.11 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.
  - 5.47.12 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.

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### References

- 5.47.13 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.
- 5.47.14 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.
- 5.47.15 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.
- 5.47.16 All expenditures on Board activities will be disclosed in The Foundation's accounts and reported at Board meetings.
- 5.48 This will continue to remain an area of focus and continuing quality improvement.

#### **PRINCIPLE 9 – NO WELFARE, EVANGELISM OR PARTISAN POLITICS**

- 5.49 The Foundation's principles of independence and self-sufficiency mean that we do not engage in or support welfare programs, evangelism, or partisan politics either in our own work or the activities and strategies we support and fund. This approach is reinforced through our DFAT Australian NGO accreditation which requires the activities of accredited organizations must benefit groups selected on the basis of need – not on religious, sectarian or political grounds. It also aligns with our commitment to the ACFID Code of Conduct which requires that funds and other resources designated for the purposes of aid and development will be used only for those purposes and will not be used to promote a particular religious adherence or to support a political party, or to promote a candidate or organisation affiliated to a political party.

#### **WELFARE**

- 5.50 Welfare programs are typically:
- 5.50.1 run independently of other sustainable community development programs;
  - 5.50.2 externally designed and directed by the donor rather than controlled by local agencies and service providers; and
  - 5.50.3 long-term programs with no clear strategy for exiting.
- 5.51 The Foundation does not engage in or fund welfare programs of this type. While The Foundation may sometimes provide emergency relief in a disaster situation, this is a short-term response and is thus fundamentally different to long-term welfare interventions.
- 5.52 As a signatory to the ACFID Code of Conduct, The Foundation strives to develop and implement program standards that encourage self-help and self-reliance among beneficiaries and thus avoid creating dependency, and that involve beneficiary groups to the maximum extent possible in the design, implementation and evaluation of projects and programs. In our international work, we support activities and programs which:

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#### References

5.52.1 intervene in a specific and short-term way in a person's life to improve or restore their sight so they can lead more independent and productive lives; and

5.52.2 increase the capacity of partner organisations to build effective eye health systems in their own countries which can be sustained over the long-term.

5.53 In Australia The Foundation works mainly with and through Aboriginal and Torres Strait Islander organisations to help build their capacities and resources to more effectively deal with the social determinants of poor health including poor eye health.

## **EVANGALISM**

5.54 Evangelism or evangelical purposes are activities or actions with the intention of promoting a particular religious adherence or converting individuals or groups from one faith and/or denominational affiliation to another. The Foundation upholds the right of any individual to choose and practice their religious faith or philosophy of life. This includes our own staff or others who form part of our organisation.

5.55 However, The Foundation is not associated with any religion or faith. We do not and will not support or implement programs or activities that are religious in nature or that persuade people (whether by design or accident) to join a particular religious faith.

5.56 In the event we engage with a religiously affiliated group, a non-negotiable pre-condition is that the religious activities undertaken by that partner are kept clearly separate from the activities supported by The Foundation. This pre-condition will be set out in all agreements with our partners, and will require financial and program management processes that clearly demonstrate the separation. Any intentional and uncorrected breach of the agreement will result in the cessation of funds and involvement.

## **POLITICAL ACTIVITIES**

5.57 Political activities as activities that could be construed as being political are those that involve 'party' politics or partisanship. The Foundation upholds the right of any individual to participate in non-violent political activities and promote any political party. This includes our own staff or others who form part of our organisation, with the proviso that such activities must not be undertaken during Foundation time, while representing The Foundation, or using the Foundation's funds or other resources. The employee or associate must maintain a clear distinction between their private political participation and their work with The Foundation. Staff and partners must exercise care when using social media to make that any political views expressed are personal and are not those of The Foundation. The Foundation adheres to the principle of advocating from an evidence based position and is transparent about the basis for the public positions we take.

5.58 Both in Australia and overseas, The Foundation is not aligned with any political party, does not engage in party-political activities, and does not promote any candidate or organisation affiliated to a political party.

5.59 In the event that we engage with a legitimate political party or group, it is to increase the support for well justified positions. A non-negotiable pre-condition is that the political activities undertaken by that partner are kept clearly separate from the activities supported by The Foundation, and that The Foundation's name and logo are not used in association with any partisan political activity. This pre-

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### References

condition will be set out in all agreements with our partners, and will require financial and program management processes that clearly demonstrate the separation. Any intentional and uncorrected breach of the agreement will result in the cessation of funds and involvement.

- 5.60 The Foundation also recognises that political processes are often part of the development process, and that policies developed and implemented by political parties can have a major impact on the aid and development environment. As an international development organisation we are therefore involved in community education campaigns and alliances around issues relevant to development, and use many forums and opportunities to advocate for the health-related rights of disadvantaged people and communities.

## **6. BOARD MEETINGS**

- 6.1 The Board meets at least quarterly for approximately 6 hours, usually at The Foundation's head office. Dates for the following year's meetings are agreed by the quarter four Board meeting, with a draft calendar circulated in the August meeting. In addition, there may be at least one Board strategy day each year.
- 6.2 All meetings are minuted. After being formally adopted at the following Board meeting, the minutes are signed by the Chair and placed in the Minute Book (this may be electronic).
- 6.3 All meetings follow a formal agenda that is a combination of standard core items and specific strategic items for discussion. The precise agenda for each meeting is agreed between the Chair, the CEO and the Company Secretary.
- 6.4 A set of board papers is produced for each board meeting in support of the agenda.
- 6.5 All Board Documents, including Board approved policies, meeting papers and minutes will be stored in a protected environment forever and will not be destroyed. In Australia Board documents may be stored electronically. Records in other jurisdictions will be managed as required by local law.

## **7. ANNUAL GENERAL MEETING (AGM)**

- 7.1 The AGM must be held each year within five months of the end of The Foundation's financial year and is usually held in late May.
- 7.2 All Members of The Foundation must receive at least 21 days' notice of the time and venue of the AGM.
- 7.3 The following papers and forms must be attached to the notice of meeting:
- 7.3.1 Agenda
  - 7.3.2 Annual Directors' Report (which includes the Annual Audited Accounts)
  - 7.3.3 Minutes and attachments from the previous year's meeting
  - 7.3.4 Summary Financial Report and Financial overview
  - 7.3.5 Nomination Form for vacant board positions (if any)
  - 7.3.6 Proxy Form
  - 7.3.7 Practical information (e.g. venue map, parking and the dinner venue).

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### References

- 7.4 In some years there may be other specific papers e.g. those relating to any formal resolutions to be considered by the members at the AGM.
- 7.5 Nominations for vacant Board positions must be lodged with the Company Secretary no later than 15 days before the AGM and they must be posted at The Foundation's registered office no later than seven days before the AGM.
- 7.6 In the event that there are more nominations than vacancies and hence an election is required, a Returning Officer must be appointed by the Company Secretary and ballot papers prepared before the meeting.

## **8. MEMBERSHIP NOMINATIONS AND RENEWALS**

### **8.1 MEMBERSHIP**

- 8.1.1 The applicant, together with their proposer and seconder, must fill in and sign the Member Nomination Form.
- 8.1.2 The application is reviewed by the Governance & Nominations Committee. This Committee makes a recommendation to the Board as to acceptance or rejection.
- 8.1.3 The application must be determined at the next Board meeting after the application has been received.
- 8.1.4 If the Board approves the application, a letter must be written to the new member advising him or her of the acceptance and requesting payment of the membership fee. This letter is signed by the Chair of the Board. A range of background information on The Foundation is also included with this letter.
- 8.1.5 The membership year runs from 1 April to 30 March. The Foundation sends a letter or email requesting renewal of membership fees to all members in early March each year. A follow-up letter is sent to those who have not responded by May.

### **8.2 LIFE MEMBERS**

- 8.2.1 Life Membership is an honour bestowed by The Board on people who have rendered special and / or invaluable services to The Foundation. Life membership status will only be awarded to a person following consideration of the nomination by the Governance and Nominations Committee who then recommends the nomination to the Board for their final approval. New Life Members are announced at the Annual General Meeting following the approval of the nomination by the Board. A Life Member is no longer required to pay their annual membership fee to remain a member of The Foundation. It is not necessary for Life Memberships to be awarded every year, only as required.
- 8.2.2 A Life Member nomination form is to be completed. The applicant, together with their proposer and seconder, must fill in and sign the Life Member Nomination Form. The nomination form is tabled at the Governance and Nominations Committee meeting, citing as many examples as possible of how the nominee has gone above and beyond what could reasonably be expected and why their contribution is worthy of recognition through Life Membership of The Foundation.

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#### References

- 8.2.3 Careful consideration should be made by nominators who should realise that it is an exceptional circumstance for Life Membership to be awarded. Each nomination must be considered on its merits. In considering the nomination, members of the Governance and Nominations Committee are not to be influenced by any personal relationship with the nominee and are not to make direct comparisons with other Life Members, nominees or persons not nominated. The Governance and Nominations Committee may request additional information from the nominator if that would assist its deliberations.
- 8.2.4 The key elements that will be taken into account in awarding Life Membership of The Foundation include:
- 8.2.5 An ongoing commitment to the development of The Foundation over many years
- 8.2.6 Outstanding service and contribution
- 8.2.7 The length and type of voluntary positions held noting that Life Membership requires more than the holding of office and the routine performance of that office
- 8.2.8 Contributions to The Foundation which have significantly enhanced its standing
- 8.2.9 Commitment which does not seek personal reward
- 8.2.10 A high level of recognition from The Foundation's membership and Board of the nominee's work for The Foundation over a number of years.

## **9. RESPONSIBILITIES & ACCOUNTABILITIES**

### **9.1 Chairman and Board Directors**

- 9.1.1 The Chairman is responsible for ensuring this Policy is upheld and will inform the Board of The Foundation of any concerns relating to corporate governance that may present risk to The Foundation, its Personnel, beneficiaries, partners, reputation, operations or other activities.
- 9.1.2 The Chairman will hold Directors accountable to this Policy.
- 9.1.3 The Directors are responsible for upholding this Policy.

### **9.2 Chief Executive Officer**

The CEO is responsible for inform the Board of The Foundation of any concerns relating to corporate governance that may present risk to The Foundation, its Personnel, beneficiaries, partners, reputation, operations or other activities.

### **9.3 Chief Operating Officer / Company Secretary / Policy Owner**

The Chief Operating Officer, who is also the Company Secretary and Policy Owner:

- 9.3.1 will promote the existence of this Policy to all Personnel.
- 9.3.2 is responsible for monitoring and responding to any corporate governance risk or concerns arising within The Foundation's business activities;
- 9.3.3 is responsible to ensure the Policy complies with The Foundation's obligations and contemporary practice and will update this Policy as required;

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#### References

- 9.3.4 will be responsible for addressing any issues arising in relation to this Policy and will be or arrange a point of contact for all Personnel for any issue of contention.
- 9.3.5 will inform the CEO of any key risk to The Foundation regarding corporate governance and will record risks and incidents on the Divisional and organisational risk register.

## 10. MONITORING

- 10.1 This Policy will be reviewed every three years and the Policy Owner is responsible to undertake this review.
- 10.2 The Business Operations Division has oversight for all Governance and Operational Policy and will ensure the Policy is listed on the Policy Register and provide support to Policy Owner to ensure monitoring and reporting obligations are met.

## CONTROL OF DOCUMENTATION

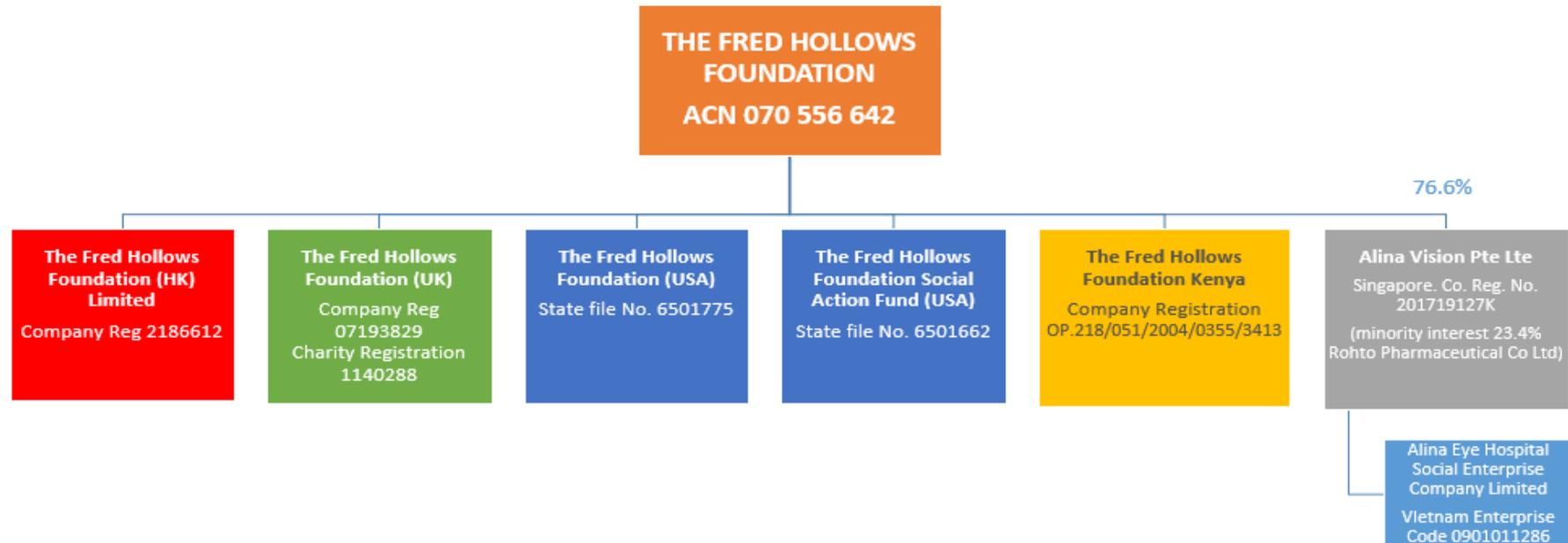
<b>Document Number</b>	ORG-004		
<b>Document Name</b>	Corporate Governance Charter		
<b>History</b>	This policy replaces the previous: ORG-004 v3 Corporate Governance Charter; ORG-040 Membership of the Foundation Policy; ORG-018 Welfare Evangelism & Politics Policy; ORG-023 Charity Registration Policy; ORG-046 Records Management Policy; ORG-022 Board Meetings and AGM Policy; versions are updated to include Committee Terms of Reference in Appendices		
<b>Date Created</b>	1/06/2009		
<b>Author(s)</b>	Global Lead – Legal Governance Risk & Compliance		
<b>Master document location</b>	FredNet		
<b>Policy owner(s)</b>	Company Secretary		
<b>Division</b>	Business Operations		
<b>First Review</b>	EMG		
<b>Second Review</b>	Governance & Nominations Committee		
<b>Approval Body</b>	Board		
<b>Version Date</b>	28/08/2019	<b>Version Number</b>	4.2
<b>Next review date</b>	29/08/2022	<b>Review Period</b>	3 years
<b>Related Policies</b>	Constitution		

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### References

## ANNEXURE 1 – ENTITY LIST

### Part A - Foundation related bodies corporate as at 5 February 2021



### Part B - Organisations that are not formally related but share The Foundation’s history and use the Fred Hollows name under trade mark licence

- The Fred Hollows Foundation New Zealand CC 23722
- The Fred Hollows IOL Laboratory Nepal
- The Fred Hollows IOL Laboratory Eritrea

References

## ANNEXURE 2 – COMMITTEE TORS

### THE FRED HOLLOWES FOUNDATION

#### TERMS OF REFERENCE

#### GOVERNANCE AND NOMINATIONS COMMITTEE

Approved by Board on 2 September 2021

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##### Role and Responsibilities

The Committee has 3 main functions:

- to ensure that The Foundation has effective governance structures and arrangements;
- to build a strong membership base that contributes to achieving The Foundation's strategic goals; and
- to provide oversight of corporate compliance, organisational culture and safeguarding in its areas of responsibility.

Its *governance* responsibilities include:

- Analysing Board membership needs in the context of the organisation's current operations and planned future directions, increased diversity and ensuring that an appropriate succession plan is developed through discussion with the Board.
- Directing the induction and continuing development of Board members.
- Assisting the Board to regularly review both its performance and that of its committees, and providing guidance on quality improvement strategies.
- Reviewing, seeking and providing advice and making recommendations to the Board on matters such as:
  - Board size, composition and succession planning.
  - Structure, terms of reference and membership of Board Committees.
  - Relations, governance and operating mechanisms with other Fred Hollows entities including as member, shareholder, partner or other relationship.
  - Global governance arrangements (such as licenses, global structures and forums including compliance with applicable legal and regulatory advice). This includes approval, where

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##### References

permitted by local law, of the appointment of Board directors and equivalent positions for related entities of The Foundation (where the decision of the Committee is not unanimous it will be referred to the full Board for decision).

- The performance and effectiveness of the Board performance and development plans for individual Board Directors.
- Board budget including oversight of budget relating to Board and Committees.

Its *membership* responsibilities include:

- Overseeing development and implementation of strategies to expand the membership base of the Foundation in the context of the agreed Strategy and the attached Guiding Framework for Membership Development.
- Reviewing all nominations for membership, and making recommendations to the Board regarding acceptance or rejection.
- Considering the demographics and skills of the membership base, and taking steps to ensure that there is a good fit with the vision, strategic goals and needs of The Foundation.
- Ensuring steps are taken to engage members with the work of the organisation, finding ways they can contribute to the agreed strategic goals, and building their relationships with the Board, staff, and each other.

Its *corporate compliance, organisational culture and safeguarding* responsibilities include:

- Identifying the need for and proposing any necessary changes to the Constitution.
- Working with Management to ensure the Annual General Meeting and Board elections are conducted properly and well.
- Overseeing compliance with the Corporations Act, state/territory fundraising regulations, the ACFID Code of Conduct, the Australian Charities and Not-for-profits Commission (ACNC) standards and any other material compliance requirements applicable from time to time.
- Supporting management to maintain full accreditation with ACNC and Department of Foreign Affairs and Trade (DFAT).
- Supporting the Board Chair in his/her annual review of the CEO's performance and contract, and making recommendations to the Board in relation to this.
- Providing a reference group for the CEO in relation to the remuneration of senior executives, and such other advice in this area as he/she may request.
- Supporting the Board Chair in his/her annual review of the Board's performance and effectiveness, and making recommendations to the Board in relation to this.
- Creating a culture of safeguarding at The Foundation and providing governance guidance for The Foundation in relation to safeguarding.

*In relation to all three areas*, the Committee will consider and raise with the Board any other significant matters that are relevant to its general brief including matters relating to identifying and managing risk.

### **Committee Membership**

The Committee will be convened and chaired by the Chair of the Board.

The Board will appoint up to four other Directors to the Committee. While the majority of the Committee should always be Directors, the Board may also appoint up to two members of The Foundation if this is considered desirable. Members of The Foundation who are appointed in this capacity must sign a

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#### References

confidentiality agreement with The Foundation and must disclose all (actual and potential) conflicts of interest prior to appointment.

The Board will annually review the membership of the Committee following the AGM, and either confirm or change its membership.

### **Practicalities**

The Committee will meet at least quarterly, preferably around two weeks before each Board meeting. The quorum for meetings will be at least two Board members who are members of the Committee. As a committee of the Board, non-board members who are appointed to the Committee can speak to agenda items but do not have a vote in relation to them. All committee members are obliged to disclose any conflicts of interest at the beginning of each Committee meeting and absent themselves from any Committee discussions in which they have such a conflict of interest and comply with any directions of the Chair of the Committee.

All Board members, the CEO and the Company Secretary are invited to attend any / all Committee meetings at their own discretion. Any Board member, who is not a member of the Committee, wishing to attend a Committee meeting must notify the Committee Chair no later than 1 week prior to the scheduled meeting.

Minutes will be produced of all meetings, and will be tabled for information at each Board meeting, noting that the Committee may conduct some of its business *in camera*. The Chair of the Committee will direct who will be excluded from *in camera* portions of the Committee meeting.

Secretariat support for the Committee will be provided by the Company Secretary, the Legal, Governance, Risk & Compliance team and assisted as necessary by other managers. The CEO will attend meetings as and when possible.

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### **References**

## GUIDING FRAMEWORK FOR MEMBERSHIP DEVELOPMENT

In developing and supporting the membership base of The Fred Hollows Foundation, the Committee will be guided by the following understandings.

### **1. Building the membership base of The Foundation is an important function of the Board for three main reasons:**

- The willingness of people to become members demonstrates that there is public support for the charter and work of FHF. Membership complements the other key indicator of public support, namely financial donations.
- It is the membership base that provides the “pool” for Board members, given the Constitution specifies that only members of The Foundation may be nominated for election to the Board.
- People who consciously choose to become members are likely to be willing to assist The Foundation in concrete ways if asked to do so.

### **2. Conscious efforts should be made to ensure 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.
- 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.

### **3. Given the nature of The Foundation’s work, and our needs in terms of resource mobilisation, efforts should be particularly directed at encouraging membership from amongst the following groups:**

- people with skills and experience in international and domestic development work, eye health and blindness prevention, and health more broadly;
- people with experience in “growing” organisations and companies, and with resource mobilization, financial management and IT/e-learning skills;
- Indigenous people, and other people in Australia with roots or connections in the developing countries where The Foundation works;
- people who are influential in relevant fields, or who have a track record in successful public advocacy; and
- people who have had a significant association with The Foundation, such as long-term supporters or former staff and consultants (while noting that the Constitution requires a passage of two years between employment and membership).

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#### References

**4. The right balance has to be found between a culture of openness towards new people and new ideas, and preserving the original spirit of The Foundation and protecting its core work from unproductive disruption or distraction.**

- The Constitution has a number of protective safeguards such as:
  - limiting the total number of members (currently 200);
  - requiring at least one of the two people who are nominating a person for membership to personally know the applicant; and
  - preventing previous staff and paid consultants from becoming members for two years.
- There are no specific clauses in the Constitution that address the other side of the coin, namely to ensure that The Foundation remains a dynamic and open organisation that is welcoming of new members and that provides opportunities for members to meaningfully engage with the organisation's work and people. Given it is virtually impossible to codify this responsibility in constitutional clauses, the Board needs to find ways to engender this spirit and culture and to regularly review its performance in this regard.

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References

## THE FRED HOLLOWES FOUNDATION

### TERMS OF REFERENCE

#### FINANCE AND AUDIT COMMITTEE (FAC)

Approved by Board on 2 September 2021

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##### **Role of the Committee**

The Finance and Audit Committee (FAC or the Committee) supports the Board of the Foundation with the organisation's governance and exercise of due care and diligence, in relation to its responsibilities in monitoring the Foundation's financial performance. The Committee provides technical and management expertise to allow the regular review and monitoring of the Foundation's financial position and the policies, systems and controls that support the management of the Foundation's finances.

##### **Authority and Accountability**

The Committee is a committee of the Board. It is established pursuant to clause 12.17 of the Foundation's Constitution.

The Committee has no general authority to make decisions on behalf of the Board, to approve expenditure or commit the organisation to activities or undertakings not otherwise approved by the Board. However, the Board authorises the Committee to:

1. Oversee the appointment, compensation and work of any registered company auditor engaged by the Foundation.
2. Resolve any disagreements between management and the auditor on financial reporting.
3. Pre-approve all audit and non-audit services prior to seeking Board approval.
4. Seek any information it requires from employees directed to cooperate with the audit committee's requests.
5. Oversee the appointment, review and monitor the performance of any investment advisor under the terms of the Capital and Investment Policy.
6. Seek any information it requires from external parties to advise on any matter within the Committee's responsibilities.

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##### References

## Responsibilities

The Committee's specific responsibilities are set out below. These are not exclusive and the Committee should ensure that any other matters required in order to fulfill their responsibilities to the Foundation are identified and managed as appropriate.

### **1. Financial status and health of the Foundation**

The Committee will advise the Board on financial management and reporting matters and make recommendations to the Board as required. These matters will include:

- a. policies relating to financial management;
- b. the draft annual budget, including the appropriateness of underlying assumptions;
- c. the Foundation's regular financial reports including the internal processes, procedures and systems on which they depend; and
- d. the solvency of the Foundation.

Any concerns should be advised to the Board for their immediate attention.

### **2. External Audit**

The Committee will:

- a. monitor the independence of the external auditor;
- b. periodically review the appointment, terms of engagement and remuneration of the external auditor;
- c. meet with the external auditors to review the results of their audit work, including the adequacy and effectiveness of accounting and financial controls, the disclosures made in the notes to the accounts, and any issues identified by the external auditors regarding the Foundation's management, systems and controls; and
- d. review the audited annual financial statements before they are presented to the Board, to monitor that they represent a true and fair view of the Foundation's financial position and performance.

### **3. Internal Audit**

The Committee will:

- a. monitor the independence of the internal auditor;
- b. provide a structural reporting line for the internal auditor;
- c. review the internal audit plans, the results of those plans and the recommendations of the internal auditor. Recommend matters to the Board for decision where required; and
- d. monitor that the internal auditor is adequately resourced to undertake a strong and effective internal audit process.

### **4. Risk Management**

The Committee will:

- a. monitor and assess the risk management system and its effectiveness, to ensure currency and its appropriateness for the Foundation;
- b. monitor and assess the strategies to address all risks outside of the risk appetite settings, ,

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## References

- recommend strategies to the Board to manage identified risks within the risk domains of Financial Crime and Financial Management and support the Board and other committees in assessing the mitigation approach to risks;
- c. monitor compliance with applicable laws, regulations, standards, contracts and best practice guidelines in relation to financial management;
  - d. monitor that the financial management, controls and reporting of The Foundation meet all legal and regulatory requirements; and
  - e. review the type and level of insurance coverage for the Foundation and make recommendations to the Board as required.

#### **5. Capital, Reserves and Investments**

The Committee will advise the Board on:

- a. appropriate capital and liquidity management policies and procedures to enable the Foundation to meet its commitments and implement the strategic plan; and
- b. appropriate investment strategies to protect the Foundation against unexpected events, economic downturns and other matters that could damage the Foundation's operations.

#### **Committee Membership**

The Committee is appointed by the Board and will be chaired by an appropriately qualified and experienced member of the Board.

The Committee will consist of at least three directors, or up to five, if the Board believes that is necessary. The Committee Chair may recommend additional non-director members to the Board to strengthen the Committee's skills and experience.

The Board will review the membership of the Committee annually, following the Annual General Meeting, and either confirm or change its membership.

The term of appointment of the Committee members who are directors will coincide with their board tenure. The tenure of any other Committee members will be two years, with a maximum of three terms, at the discretion of the Board.

#### *Other Attendees*

The Committee will invite any person to attend its meetings. The Chief Executive Officer, Chief Operating Officer, Finance Director and Company Secretary will have standing invitations to meetings of the Committee. The Committee will extend other invitations as it requires. Management and other people attending Committee meetings may take part in the business and discussions including making recommendations to the Committee, but they have no right to vote on any matter. All other Board directors have standing invitations to attend the Committee's meetings.

#### **Meetings and Administration**

The Committee will meet at least four times in each calendar year preferably around two weeks before each Board meeting and hold additional meetings as required. The Committee must comply with any request from the external auditor for a meeting.

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#### References

The quorum will be more than half of the director members of the Committee. Matters before the Committee will generally be decided by unanimous agreement, or, if there is any disagreement, by a majority of the director members present.

Conflicts of interest will be subject to the Foundation’s policy.

The Committee meeting agenda will include an optional in-camera session to facilitate any discussions for directors only or with specific members of the management team. The Chair of the Committee will direct who will be included for the in camera portions of the Committee meeting.

Minutes must be prepared, approved by the Chair and circulated to the members within two weeks of a committee meeting and presented to the next full Board meeting.

### Reporting to the Board

The Chair of the Committee will report to the Board at the next Board meeting, or sooner to the Chair of the Board, if the Committee identifies matters that it wishes to be brought to the immediate attention of the Board.

### Review

The Committee will review its performance annually, as either a self-assessment coordinated by the Chair or as otherwise directed by the Board.

Training for members of the Committee should be identified and organised by the Chair of the Committee.

The Committee should review these Terms of Reference and the composition of the Committee annually to ensure that the Board’s objectives are fulfilled. The Board should consider the Committee’s review and recommendations relating to the composition and performance of the Committee.

## CONTROL OF DOCUMENTATION

<b>Document Name</b>	Finance & Audit Committee Terms of Reference		
<b>History</b>	Replaces last reviewed version 28 August 2019		
<b>Author(s)</b>	Christine Hawkins, Finance & Audit Committee		
<b>Master document location</b>	FredNet		
<b>Policy owner(s)</b>	Chief Operating Officer		
<b>Division</b>	Business Operations		
<b>First Review</b>	Finance & Audit Committee		
<b>Second Review</b>	Governance & Nominations Committee		
<b>Approval Body</b>	Board		
<b>Version Date</b>	2/09/2021		
<b>Next review date</b>	1/09/2022	Review Period	1 years
<b>Related Policies</b>	forms part of ORG004 v4.2 Corporate Governance Charter; ORG15 Capital & Investment Policy; ORG016 Risk Management Policy;		

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### References

## THE FRED HOLLOWES FOUNDATION

### TERMS OF REFERENCE

#### Program and Partnerships Committee (PPC)

Approved by Board on 28 May 2020

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##### **Role and responsibilities**

The Committee focuses on the body of work delivered by The Foundation in the areas of:

- country programs
- global partnerships
- advocacy
- research and technological innovation

The Committee provides advice to the Board on the efficacy of its programs, projects and initiatives to achieve The Foundation's strategic objectives and on the management of substantive risks. Specific responsibilities of the Committee include:

##### **Alignment with the Strategic Plan and priorities of The Foundation**

- Contributing to the development of The Foundation's Strategy.
- Ensuring policies and systems are aligned with The Foundation's Strategy.
- Reviewing the proposed annual budgets for the above areas of work to ensure alignment with The Foundation's Strategy and identified priorities.
- Ensuring that the Board has sufficient information about and exposure to the work of The Foundation to enable it to make sound decisions.
- Reviewing any Organisational Policies of a programmatic, advocacy or research nature.

##### **Quality assurance and risk**

- Reviewing and providing advice to the Board on the adequacy of quality assurance systems in relation to the work of The Foundation.

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##### References

- Monitoring and reporting to the Board on the integrity of the program review and approval process.
- Assuring the Board of the quality of the system established to ensure medical advice pertinent to the work of The Foundation.
- Monitoring significant risks in The Foundation's program of work and advising on proposed controls.

### **Partnerships and relationships**

- Providing advice to the Board on proposed new strategic organisational partnerships.
- Identifying opportunities to build supportive links between The Foundation and the ophthalmic and international development communities.

### **Environmental trends**

- Keeping under critical review significant changes in the global and local operating environment and emerging trends that may impact on the work of The Foundation, including medical and research issues.

### **Membership**

- The Board will appoint at least two Board members, one of whom will be nominated as the Chair of the Committee.
- The Chair of the Committee may recommend to the Board additional Committee members, including non-Directors, with demonstrated expertise pertinent to the work of the Committee. This is likely to include people with international development, partnerships and advocacy expertise, programs expertise and/or medical expertise. Members appointed in this capacity must be members of The Foundation, sign a confidentiality agreement with The Foundation and must disclose all (actual and potential) conflicts of interest prior to appointment.
- At least one member of the Committee will be an ophthalmologist.
- The Board will review the members of the Committee annually at the first meeting following the Annual General Meeting and either confirm or change its membership.
- The Finance and Audit Committee (FAC) Chair will be invited to attend the PPC meeting preceding the FAC budget review meeting each year.

To help perform the responsibilities of the Committee, Committee members will be adequately equipped, for example through the provision of training, participation in relevant conferences and/or professional forums, subject to reasonable budget availability.

### **Practicalities**

- Meetings will be held as needed, at least twice per year, timed to provide input into Foundation Board meetings.

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#### References

- Minutes will be produced of all meetings and will be tabled for information – in draft - at the following Board meeting, noting that the Committee may conduct some of its business in camera.
- All Board members, the CEO and the Company Secretary are invited to attend any / all Committee meetings at their own discretion. Any Board member, who is not a member of the relevant Committee wishing to attend a Committee meeting must notify the Committee Chair no later than 1 week prior to the scheduled meeting.
- The Committee may invite other appropriately qualified individuals to attend specific meetings and participate in specific discussions where appropriate, including convening expert forums and panels as needed.
- As a Committee of the Board, non-Board members who are appointed to the Committee can speak to agenda items but do not have a vote in relation to them.
- All Committee members are obliged to disclose any conflicts of interest at the beginning of each Committee meeting and absent themselves from any Committee discussions in which they have such a conflict of interest and comply with any directions of the Chair of the Committee.
- The CEO will determine the Management Lead for the Committee and other members of the management team who will attend meetings.

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#### References