



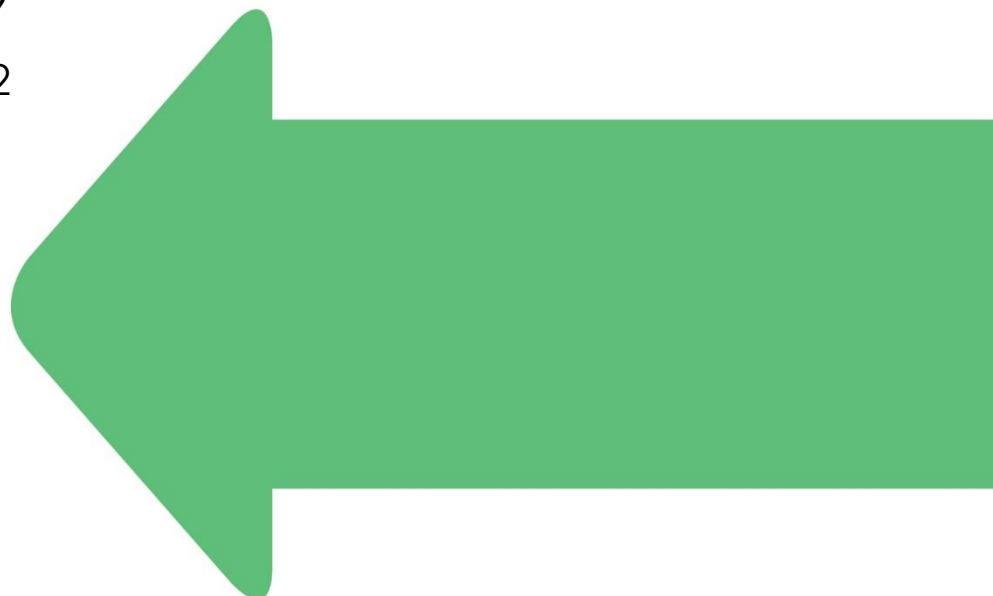
**Lifestyle
Solutions**

Corporate Governance Charter

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Acknowledgement of Traditional Owners

Lifestyle Solutions acknowledges the traditional owners of Country throughout Australia and their continuing connection to land, waterways and community. We pay our respect to them and their cultures and to Elders past, present and emerging.

Our Commitment

Our Commitment to Traditional Owners

For many years we have worked closely with Aboriginal and Torres Strait Islander communities in remote areas across the nation and in particular those communities of the Northern Territory and Western Australia where we provide services. We will continue to develop our programs in these regions whilst respecting country, traditions, heritage, customs and cultures.

Our Commitment to the People we support

Lifestyle Solutions' is committed to service excellence and supporting YOUR needs and wants in the way that YOU would expect:

Reliable

Responsive

Flexible

Friendly

Empathetic

Caring

About Lifestyle Solutions

In 2001, a small group of people in Newcastle committed themselves to creating better lifestyle solutions for people living with disability.

From modest beginnings, our founders set about making their vision a reality. Within 15 years Lifestyle Solutions had grown into a large national organisation responding to a broader range of needs of vulnerable children and adults in communities in each of Australia's state and territories, with the exception of South Australia.

Our commitment to best practice guides every aspect of our business and we work closely and cooperatively with the people we support and our external stakeholders to meet their expectations, regulatory and best practice standards, and compliance with our legislative obligations.

Lifestyle Solutions is a public company limited by guarantee. It has a small membership base, is registered as a charity and has deductible gift recipient (DGR) status enabling any gifts and bequests made to the organisation to be tax deductible.

Lifestyle Solutions Purpose and Values

Our Constitution states our Principal Objects are to pursue the charitable purpose of providing services that support people with disability, young people at risk and other services to advance social and public welfare.

We have always championed inclusion and diversity and these values will continue to underscore all our activities as we work to empower people and help them realise their goals.

Our purpose is to provide vulnerable children and adults with equal respect in pursuit of our vision that each person we support will enjoy equal access to opportunities that provide the kind and quality of life to which they personally aspire.

Underpinning all that Lifestyle Solutions does are our core values:

Own it

How we get the job done

Own your work. Own your choices. Own your triumphs. Own your failures. Own your responsibilities. Own your impact on others. Own your career.

Respect lives here

How we treat other people

Value different points of view. Be open to being wrong. Don't dump on someone because you're having a bad day. Be nice and kind, always. Say 'please' and 'thank you'. Listen, acknowledge and appreciate. And always remember, you have to give it to get it.

Keep calm and be happy

How we interact with other people

Smile. Laugh. Have fun. Be positive. Spread a little happiness. Make other people feel special. Don't take yourself too seriously.

Make it matter

How we make a difference to other people

Make their day. Do it with passion. Never settle for second best. Well done is better than well said. Make today better than yesterday. Always do your best. And remember, it's the little things that matter.

Governance Framework

Overview

The governance framework of Lifestyle Solutions is determined by the legislation that it has been created under (the Corporations Act 2001), the requirements of the Constitution, the regulatory bodies that determine the regulations and standards which service providers must meet, and the legally binding contracts with funders and other bodies.

As a public company limited by guarantee, Lifestyle Solutions must comply with the Corporations Act 2001. As a registered charity, Lifestyle Solutions must comply with the Australian Charities and Not-for-profits Commission Act 2012 and is regulated by the Australian Charities and Not-for-Profit Commission (ACNC). ACNC Governance Standard 5 is based on and replaces some sections that applied to Directors of registered charities under the Corporations Act.

Directors are bound by these Acts and the numerous pieces of legislation relating to other matters such as working with children, workplace safety, equity and discrimination, mandatory reporting, taxation and many others.

The Constitution

The Constitution of Lifestyle Solutions (Aust) Ltd is the organisation's primary governance document.

The Constitution sets out the powers, duties and proceedings of the Board.

The Board must ensure that it and the organisation comply with the provisions of the Constitution at all times.

The Constitution takes precedence over this Charter in the event of any inconsistency.

The Governing Body (Board)

The governing body, or Board of Directors, is the group of individuals who collectively are ultimately responsible for providing leadership and strategy to the organisation, overseeing its operations and making sure it is working towards achieving its charitable purpose in a way that also meets its ethical, legal and financial obligations.

Although the Board is made up of a group of individuals, they only have the power to bind the organisation as a group, not as individual Members.

Compliance with Laws

The *Corporations Act* As requires Lifestyle Solutions to meet the provisions specific to its charitable purpose, including:

- applying its income only to promoting its charitable purpose
- abiding by the prohibition from making distributions to Members
- ensuring any payments to Directors are approved by the Board.

As Lifestyle Solutions operates in numerous jurisdictions, it must ensure that it is aware of and complies with all applicable laws in those jurisdictions, including:

- occupational health and safety legislation
- employment related laws
- anti-discrimination legislation
- privacy legislation
- legislation regarding the care and support of others, especially children, young people, and people with disability
- child protection legislation

The Corporate Governance Charter

The Board maintains the Corporate Governance Charter which reflects the requirements of relevant legislation and regulation and builds upon the rules and authority to govern set out in the Constitution.

The Charter is used as a day to day guide, information resource and statement of Lifestyle Solutions' policy to assist the Board, its committees, the CEO, Executive Leaders and all staff to deliver best practice corporate governance.

It is based on principles and ways of operating that are widely recognised as good governance practice across all sectors including:

- the ACNC Standards
- AS8000-2003 Good Governance Principles
- the ASX Corporate Governance Council Corporate Governance Principles and Recommendations 4th edition
- the Australian Institute of Company Directors (AICD) Not-for-profit Governance Principles; and
- the Governance Institute of Australia (GIA) policies and standards.

The Charter sets out the roles of the Board, the Chairperson, the Chief Executive Officer (CEO) and the established committees of the Board. It identifies matters reserved for Board approval, and specifies the extent to which authority has been delegated by the Board to the executive or other staff.

The Corporate Governance Policy Manual

As an adjunct to the Charter, the Corporate Governance Policy Manual draws together in a single point of reference the policies specifically relating to Board Members and Board processes and the policies and procedures in areas of corporate governance not covered by the Charter or where greater detail is considered necessary.

In the development of its policies and procedures, the Board is guided by the principles set out in the reference documents for good governance, identified in the previous section.

The Organisation's Policies

The Board empowers the CEO and Executive Leaders to run the Organisation's business efficiently and effectively within clearly defined parameters and according to a commonly applied set of principles.

The CEO and Executive Leaders deploy the resources of the Organisation in pursuit of its strategic objectives and in compliance with the policies and strategic direction determined by the Board.

The CEO, Executive Leaders and other managers establish policies and procedures within their area of delegated responsibility, ensuring that they are consistent with the principles established by the Board. The Practice Assurance Manual contains details of the operating policies and procedures to which all staff are expected to adhere.

Corporate Policy and Procedure Framework

The processes for ensuring that all Lifestyle Solutions policies, procedures and forms are established, applied, monitored and reviewed consistently across the organisation is outlined in the document: *Corporate Policy and Procedure Framework, January 2018*.

Corporate Governance Charter

Lifestyle Solutions Corporate Governance Charter

This Corporate Governance Charter assists the Board to clarify the relationship between the Board and the CEO and to structure its governance arrangements in order to meet its ethical, legal and financial obligations whilst ensuring Lifestyle Solutions achieves its purpose.

The Charter adopts best practice principles identified through research and evaluation of corporate governance in both Not for Profit organisations and commercial organisations in the private sector.

The Charter defines the objectives, respective roles, responsibilities and authorities of the Board of Directors and Executive Leaders in setting, monitoring, reviewing and achieving the Organisation's purpose and objects, strategic direction, and performance.

It also documents such other corporate governance issues, policies and procedures as the Board may from time to time determine necessary to meet its legal, Constitutional and other responsibilities.

By defining the Organisation's governing rules, observing and regularly reviewing the Charter, the Board affirms its commitment to fulfilling its obligations and responsibilities for achieving high standards and continually improving its governance processes.

Purpose of the Charter

The Charter serves as a reminder for the Board of the legal framework within which it operates, as a means of communication of the Board's policies and expectations to management, and to provide evidence to regulators that the Board has implemented robust governance processes.

It is used as a day to day guide, information resource and statement of Lifestyle Solutions' policy to assist the Board, the Board's committees and the Executive Leaders to consistently achieve good governance outcomes whilst serving the best interests of the organisation and the people it supports.

Principles

Lifestyle Solutions' Charter is based on the ASX Corporate Governance Principles¹ which are briefly outlined below:

- Lay solid foundations for management and oversight
 - o The organisation should establish and disclose the respective roles and responsibilities of its Board and management and how their performance is monitored and evaluated
- Structure the Board to add value
 - o The organisation should have a Board of an appropriate size, composition, skills and commitment to enable it to discharge its duties effectively
- Act ethically and responsibly
 - o The organisation should always act ethically and responsibly in all it does
- Safeguard integrity in corporate reporting
 - o The organisation should have formal and rigorous processes that independently verify and safeguard the integrity of its reporting
- Make timely and balanced disclosure
 - o The organisation should make timely and balanced disclosure of all matters concerning it that a reasonable person would expect to have a material effect on the organisation
- Respect the rights of security holders
 - o The organisation should respect the rights of the people it supports and funding bodies by providing them with appropriate information and facilities to allow them to exercise their rights
- Recognise and manage risk
 - o The organisation should establish a sound risk management framework and periodically review the effectiveness of that framework
- Remunerate fairly and responsibly
 - o The organisation should pay Directors and executive in a manner to attract, retain and motivate high quality executives and to align their interests with those of the organisation.

The Charter should be read as a broad expression of those principles which are further supplemented by the Board's more detailed Corporate Governance Policies.

¹ The full list of the ASX Corporate Governance Principles and detailed explanation can be found at www.asx.com.au/documents/asx-compliance/cgc-principles-and-recommendations-3rd-edn.pdf

Organisational Culture

*'Culture in a corporate context can be defined as a combination of the values, attitudes and behaviours manifested by a company in its operations and relations with its stakeholders.'*²

In recognising the relationship between culture and strategy (as the former drives the ability to execute the latter³), a key role for the Board includes establishing the culture, values and ethics of the organisation to support effective decision-making and better outcomes.

Forging, overseeing and monitoring a culture aligned with Lifestyle Solution's purpose, values and business strategy requires the Board's active engagement. It involves consideration of governance and culture at an organisational wide level as well as the operating culture in the Boardroom.

Lifestyle Solutions' vision, mission, core values, principles, code of conduct and strategic plan set out the aspirational information to guide actions. The Board seeks to inculcate a deep sense of shared vision and purpose throughout the organisation and to ensure there is internal alignment between these and corporate decision-making.

In managing its own processes Lifestyle Solutions' boardroom culture is one which expects:

- ownership of and commitment to the organisation's beliefs, vision, mission and long-term direction
- strong advocacy and representation of Lifestyle Solutions to stakeholders and the community
- Directors to obtain sufficient knowledge of the sector and Lifestyle Solutions business operations to hold the executive to account where misalignment is found and or to challenge management effectively where there are early warning signs or doubts
- courage in confronting ethical dilemmas or organisational failures
- Directors to consider how their own actions and behaviours contribute to the culture and whether they are modelling the desired behaviours.

Translating the Board's cultural expectations into practice relies upon the Board's rigorous commitment to strong executive leadership, employee engagement and empowerment and highly functioning teams that share Lifestyle Solutions' core values and sense of purpose.

In influencing and exercising oversight of the culture throughout the organisation, the Board seeks to engender a culture that is based on high ethical and practice standards, respect for each staff member and ensuring that each staff member is firmly focused on how their role contributes in assisting vulnerable persons to access what is needed to enable them to enjoy rich, productive and happy lives as equal Members of the community.

The Board's Role and Responsibilities

Powers and Duties of the Board

The powers and duties of the Board are set out in Lifestyle Solutions Constitution clauses 13.2 and 13.3.

The Board's Role

The Board is charged with the legal responsibility for managing the business of the organisation with due care and diligence and therefore for ensuring that Lifestyle Solutions has in place appropriate governance arrangements and pursues the Principal Objects of the

² Corporate Culture and the Role of Boards, posted by UK Financial Reporting Council, on Saturday, August 13, 2016. Harvard Law School Forum on Corporate Governance and Financial Regulation.

³ *The Role of the Board in Managing Organisational Culture / Whitepaper*, Human Synergistics International

Organisation; viz. to provide services providing services that support people with disability, young people at risk and other services to advance social and public welfare ⁴.

The Board is responsible for all matters relating to the Lifestyle Solutions' performance, providing strategic guidance to the organisation, and for the oversight of the CEO.

It is ultimately accountable for the success or failure of the agreed strategic direction and operations of the Organisation.

The views and on-going feedback from our customers are essential inputs for the setting of the organisation's strategic direction and the Board ensures that appropriate mechanisms are in place to facilitate this engagement.

The Board ensures that Lifestyle Solutions complies with all of its contractual, statutory and legal obligations, including the requirements of relevant regulatory bodies. To this end, the Board is responsible for ensuring that the CEO and Executive Leaders recognise Lifestyle Solutions' legal, regulatory, contractual and other obligations to all stakeholders, including the people we support, staff, funding bodies, regulators, accrediting bodies and the communities in which Lifestyle Solutions operates.

Lifestyle Solutions' obligations to these stakeholders require the Board to ensure that appropriate accountability and control systems are in place, and that timely and transparent reporting practices ensure stakeholders are provided with appropriate information.

The role of the Board is reflected throughout the Charter which sets out specific matters reserved for Board approval and the extent of delegations to individual Board Members and Board committees, and in the policies specifically relating to Board Members and Board procedures.

Board Composition and Appointment

All Directors are Ordinary Members of the Organisation (Constitution clause 5.2).

The appointment and removal of the Board and individual Directors occurs in accordance with the Constitution and the Board's Recruitment, Remuneration and Succession Planning Policy.

The Constitution outlines the minimum and maximum number of Directors, how Directors are nominated, and the appointment of all office-bearers. It also outlines how Board meetings are run, the number required per year, what constitutes a quorum, how decisions are made and voted on, the relationship to any sub-committees of the Board, and clear guidelines on the Annual General Meeting (AGM).

LSNATCGPOL 2.0: Board Recruitment, Remuneration and Succession Planning Policy, September 2017.

Composition

Clause 13.1(b) of the Constitution specify the maximum and minimum size of the Board, being 10 Directors and 5 Directors, respectively.

The Board should be of a size and composition that is conducive to making decisions expediently, with the benefit of a variety of professional perspectives and skills, and in the best interest of Lifestyle Solutions as a whole. To assist in this, the Board maintains and regularly reviews a matrix of the skills and experience required and will actively seek to recruit to fill gaps identified and meet the goals, growth and workload of the Board.

⁴ Lifestyle Solutions (Aust) Ltd, Constitution as amended at AGM 23 November 2018, Clause 2

Terms and Conditions

Clause 13.6 of the Constitution sets out the provisions for the election of Directors at the Annual General Meeting (AGM). Clauses 13.1(f) and 13.1(g) empowers the Board to fill a casual vacancy or add to the number of Directors between AGMs. A Director so appointed holds office until the following AGM.

The Constitution provides for terms of appointment of three years, with a Director being eligible for re-election for a maximum of 9 years, with the ability for this to be waived upon the passing of a special resolution. Board continuity, renewal and succession planning is vital to performance. The Board seeks to stagger end dates of Directors' three-year terms to provide continuity. It uses resignations and approaching ends of tenure as opportunities to reflect on how the Board is constituted currently and how it believes it should best be constituted in the future to align with the strategic objectives of the organisation.

Whilst acknowledging exceptional circumstances, a maximum of three terms (9 years) generally provides ongoing corporate knowledge while refreshing perspectives and maintaining independence of Directors.

Board Structure

A Chairperson and Deputy Chairperson shall be appointed from the Directors, (Constitution clause 15.1). A Company Secretary can be someone other than a Director. Where that is the case, the Company Secretary has no voting rights.

Role of the Chair

In accordance with the Constitution clause 15.3, the Chairperson presides as Chairperson at every meeting of the Board. If the Chair is absent from a meeting, the Deputy Chairperson shall be the Chair; if the Deputy Chairperson is also not present at a meeting, the Directors present may choose one of their number present to act as Chair.

The Chair is responsible for leadership of the Board, ensuring that the Board accomplishes its role as expressed in the Constitution and in this Charter.

The Chair's role is key both within and outside the Boardroom. It includes, but is not limited to, activities such as:

- providing the link between the Board and the organisation's management, via the CEO.
- setting the tone for the Board, obtaining appropriate information to present to the Board, facilitating processes which support effective contributions by all Board members, and seeking consensus when making decisions.
- Chairing Board meetings effectively and shaping the agenda in relation to goals, strategy, budget and executive performance. Putting in place effective processes to carry out the Board's business.
- Acting as spokesperson for the Board on matters of corporate governance; communicating the views on matters approved by the Board to the organisation's stakeholders and the general public. Being available to speak with stakeholders.
- Monitoring the performance of the Board and overseeing process for appraisal of Board member individually and the Board as a whole and managing issues appropriately.
- Overseeing negotiations for the CEO's employment, evaluating the CEO's performance, and planning for succession.

Details of the role are set out in the Chair Position Description.

Refer to LSNATCGPOL 1.0: Board Members and Office Bearers Roles and Responsibilities Policy, August 2016.

Role of the Company Secretary

The Constitution (clause 20) authorises the Board to appoint the Company Secretary. The Company Secretary is accountable to the Board, through the Chair, on all governance matters. All Directors have right of access to the Company Secretary.

The Company Secretary's primary responsibility is to facilitate the organisation's corporate compliance and governance-related administrative tasks of the Board, ensuring that Board processes run efficiently and smoothly.

A number of the tasks that the Company Secretary is responsible for are mandated in the Constitution, the *Corporations Act (C'th) 2001* and the *Australian Charities and Not-for-profits Commission Act 2012*. These mainly apply to meeting reporting requirements and notifying particular changes to the organisation or its Directors, including notifications to the Australian Securities and Investment Commission (ASIC).

Details of the role are set out in *Board Members and Office Bearers Roles and Responsibilities, Appendix C: Position Statement: Company Secretary*.

The Board's Objectives

In pursuing its mission to continue to support and provide a better service to more people, and to be financially sustainable to do so, the Board is guided by the following principles⁵:

Professionalism Transparency Visibility Integrity Respect
Courage Diversity with inclusion Passion about our mission

The Board's key functions and objectives in guiding Lifestyle Solutions' next period of growth are to⁶:

- Operate using a whole of organisation governance framework that reflects our new competitive environment and new strategic direction.
- Operate at a strategic level.
- Measure and monitor the organisation's impact and effectiveness
- Oversee the management of risks to achieving mission fulfilment
- Ensure compliance
- Set and demonstrate the culture and values of Lifestyle Solutions, in particular results-based accountability throughout the organisation.
- Effective strategic stakeholder engagement and reputation management.
- Effectively manage CEO performance.
- Effectively engage with the Executive Leadership Team and other internal stakeholders.

Key Areas of the Board's Responsibility

The Board is collectively responsible for:

- **Accountability** - Ensuring the organisation meets its obligations
- **Culture** - Establishing the culture of the organisation and determining its values and standards

⁵ Agreed by the Board in January 2018

⁶ Agreed by the Board January 2018

- **Strategy** - Reviewing and determining the organisation's strategic objectives.
- **Controlling risk** - Establishing the framework of controls which enable risk to be assessed and managed
- **Policies** - Determining the organisation's key policies to support the achievement of purpose.
- **Monitoring** progress towards the achievement of objectives and compliance with policies, values and standards; ensuring adequate reporting is provided by management.
- **Communicating** - Representing the organisation to Community Members and external stakeholders and giving an account of its activities to stakeholders.
- **Resourcing** - Ensuring that the necessary human and financial resources are in place to support the activities of the organisation.

Components of Responsibilities

Accountability

The Board:

- works with the CEO to develop and maintain the focus on our customers and ensuring that systems and effective evidence-based practices are in place to achieve positive outcomes in their lives
- ensures that Lifestyle Solutions complies with all its legal, tax and regulatory obligations and maintains an appropriate level of transparency about its business
- approves and monitors financial and other reporting to stakeholders
- ensures policies and systems are in place to identify and manage risk
- ensures effective identification and engagement with the interests of the organisation's stakeholders and that it is accountable, transparent and open in its reporting
- maintains a Director Performance and Board Succession Plan to ensure that the skills and experience required by the Board to implement the Strategic Direction are effectively maintained
- establishes a process to manage complaints about the CEO and Board, and a process for managing disputes within the Board
- ensures the AGM is held in accordance with the Corporations Act and the Constitution
- confirms any conflict of interest issues at the start of each meeting
- reviews its corporate governance policies and approves any required amendments including those required to comply with the ASX Principles.

Strategy

The Board:

- ensures that Lifestyle Solutions has adequate long-term objectives and strategies, expressed in both social and financial terms
- works with the CEO and Executive Leaders to establish corporate strategy and the activities in which the organisation will engage, giving final approval and setting the appetite for risk associated with these
- sets, monitors and reviews a policy framework for the organisation, approving such major policies as it deems appropriate to support the achievement of the strategic objectives
- ensures that business plans are set and reviewed and take account of current and emerging issues in the local and national environment
- ensures that the views and feedback from our customers are considered in the development of business plans

- approves longer-term financial plans, annual budgets and financial statements presented by CEO, ensuring that they are compatible with short-term and long-term objectives
- approves and monitors the progress of major expenditure, mergers and divestments in accordance with the *Delegations of Authority Policy*.

Monitoring

The Board

- ensures effective systems are in place, obtaining independent advice where necessary, to monitor, audit and report on performance at a business level and sufficient for Board and management performance review and decision purposes
- oversees systems of risk management and internal compliance and controls, codes of conduct, continuous disclosure, legal compliance and other significant corporate policies
- regularly reviews Lifestyle Solutions' risk profile in line with the risk appetite set by the Board, and the effectiveness of its risk management system and internal control framework
- reviews the organisation's short and long-term financial position, with particular reference to achievement of goals, liquidity and solvency and the adequacy of resources
- monitors management performance against strategic objectives and strategic policies and initiates appropriate corrective action where shortcomings or failures are revealed
- reviews the effectiveness of the system of internal controls for reporting, risk assessment, compliance and regulatory purposes
- appoints, evaluates and removes the external auditor.

Resourcing

The Board

- recruits, supports and reviews the performance of the CEO, determines the terms of their contract, and maintains a succession plan to address their departure
- ensures the adequacy of Lifestyle Solutions' management structure and the plans for senior management motivation, remuneration, development, recruitment and succession.
- ensures the adequacy of resources for specific and general tasks.

Matters Reserved for the Board

The matters delegated to the CEO, Executive Leaders and Managers are documented in the Board's *Delegations of Authority Policy* and associated Schedules of Delegations.

The following matters are reserved for the Board:

Corporate Governance

Constitutional matters:

- Election of Chairperson and Deputy Chairperson (clause 15.1)
- Appointment or removal of the Company Secretary (clause 20).
- Appointment or removal of auditors (clause 4.3); refer also to LS NATCGP: Appointment of External Financial Auditor Policy 2017.
- Make recommendations to an (Annual) General Meeting for the remuneration (if any) of Directors (clause 13.7(a)). (refer also to Board Recruitment, Remuneration and Succession Planning Policy, 2018).

- Approving resolutions and corresponding documentation to be put forward from the Organisation to Members at a general meeting.

Corporate Governance

- Changes to this Corporate Governance Charter.
- The creation of, and approval of terms of reference and delegation of powers and authority to committees of the Board to assist its functions.
- Appointments to and removals from membership of Board committees
- The role statements of the Chairperson and the CEO.
- Directors' Code of Ethics and Conduct. Refer to LSNATCGPOL 1.0; Directors' Code of Ethics and Conduct, August 2016.
- Key organisation policies.
- The framework for executive remuneration (including salary, benefits, bonus, and other incentive schemes) and its cost.
- Directors' and Officers' liability insurance.

Organisational Structure and Appointments

- Lifestyle Solutions' management and control structure and any major changes relating to the organisational and operational structure.
- Appointment and, where appropriate, the removal of the CEO and determination of the CEO's terms and conditions of employment, including remuneration.
- Appointments to and removals from, and the terms of appointment of Executive Leaders.

Business Strategy

- Significant changes to the Lifestyle Solution's services or practices that impact upon customer services or customer outcomes.
- Establishing any new legal entity.
- Approval of the business strategy and longer-term goals setting out projected income, expenditure and cash flow associated with strategies.
- Approval of Annual Business Plans setting out profit, capital expenditure and cashflow budgets for the following financial year, having regard to the strategic plan and long-term goals.
- Matters having a material impact on the future financial performance of the organisation including the acquisition, establishment, disposal or cessation of any significant business.
- Contracts not in the ordinary course of business.
- Matters of strategic importance not otherwise specified in this Document.

Finance and Risk

- Financial regulations; refer to *Financial Governance Policy, August 2017*
- Adoption of interim and final financial and other statutory or regulatory statements or returns.
- The Delegation of Authority Policy and Delegations Schedule. Refer to *Delegation of Authority Policy, October 2017* and *Delegation Schedule 1 Board Delegations and Delegation Schedule 2 Employee Delegations, October 2017*.
- Setting Risk Appetite, Risk Management Policy and strategies to ensure maintenance of a sound system of internal control and risk management. Refer to *Risk Management Policy, September 2017*.
- Setting and monitoring of key performance indicators (financial and operational).
- The approval of land and building purchases or material leases, capital expenditure and investment in accordance with the delegated financial authorities.
- Approval of any matters in excess of limits delegated to the CEO.
- Donations and sponsorship

- Settlement of material litigation (whether commenced or threatened).
- Health and Safety Policy
- Environmental Policy

Reputation and Media

- Any matter likely to have a significant impact on the Lifestyle Solutions' reputation must be reported to and determined by the Board, in consultation with the CEO. The following list is indicative and is not exhaustive:
 - o Any critical incident involving or affecting a client or staff member of Lifestyle Solutions.
 - o Regulatory intervention in the affairs of the organisation.
 - o Any prosecution undertaken against the Lifestyle Solutions by a regulatory body.
 - o Any litigation of significance having regard to its financial consequences, precedent nature or publicity impact.
 - o Major operational matters having a significant impact upon the community.

Role of Management

Management of the day-to-day operations of Lifestyle Solutions is undertaken by the CEO, supported by the Executive Leaders and management teams.

Lifestyle Solutions' operational management role is undertaken within the framework of the broad strategic direction, policy framework and Delegations of Authority approved by the Board.

The Board will ensure that the respective roles of the Board and CEO are clear, reinforced and work together in a complementary and productive fashion.

The Chief Executive Officer

The CEO's role is critical in developing and maintaining the sustainability and effectiveness of Lifestyle Solutions. The CEO works closely with the Board to provide advice and recommendations, identify resource requirements and seek funding sources, develop plans to achieve the organisation's mission, set standards, articulate the vision, represent the organisation, and manage its financial, physical and human resources.

The CEO is appointed by, and is accountable to, the Board for the day to day management of Lifestyle Solutions. The powers, discretions and delegations that the CEO has are as per the *Delegations of Authority Policy* and any others authorised by the Board. Any matters or transactions outside the Delegations of Authority must be referred to the Board for decision.

The CEO has a formal Employment Agreement describing their term of office, duties, rights, responsibilities and entitlements, including entitlements on termination. Specific responsibilities are set out in the CEO's Position Description which is reviewed annually.. The CEO will provide the Board a signed annual statement that:

- the financial records of Lifestyle Solutions have been properly maintained
- the financial statements and notes for the reporting period give a true and fair view of the financial position and performance of the Reporting Entity declaration
- Lifestyle Solutions' risk management and internal control system is operating effectively in all material respects and implements the policies and resolutions passed by the Board.

The Board, through the Chair, provides advice, mentoring and facilitates the CEO's professional development throughout the year. Through an ongoing performance review process, the Board will regularly provide feedback and assistance to the CEO.

A formal overall assessment of performance will be undertaken annually in accordance with the processes documented in the Board's *CEO Recruitment, Remuneration and Performance Evaluation Policy*. The annual review will be used to determine remuneration and agree goals for the following year.

Individual Directors

Individual Directors share ultimate responsibility for Lifestyle Solutions' overall success. The responsibilities and expectations of individual Directors are set out in the position descriptions and policies collated in Lifestyle Solutions' Corporate Governance Policy Manual.

Refer to Board Members and Office Bearers Roles and Responsibilities Policy and attached Director Position Descriptions, August 2016.

Effective Discharge of Director's Duties

All Directors are entitled to be heard at all Board meetings and are expected to be active in Board decision-making, bringing independent judgement to bear whilst putting the interests of the organisation at the foremost in their deliberations as Board members.

In addition to legislative and common law duties, including fiduciary duties to Lifestyle Solutions, in discharging their duties, each Director must:

- have the capacity and commit the time necessary to discharge their role as Director.
- maintain up to date knowledge relevant to their corporate responsibilities. To assist in this, Directors will have access to continuing education to enhance their skills.
- observe the Directors' Code of Ethics and Conduct
- exercise care and diligence according to the business judgement rule, *Corporations Act 2001; s180*
- act in good faith in the best interests of Lifestyle Solutions, *Corporations Act 2001; s181*.
- respect the confidentiality of all information acquired in the course of their duties and not use or disclose information to third parties without authorisation, *Corporations Act 2001; s182*.
- not improperly use their position or misuse information of Lifestyle Solutions obtained by virtue of their directorship or former directorship of the organisation to gain an advantage for themselves or someone else, or to cause detriment to the organisation. *Corporations Act 2001; s183*.
- promptly disclose perceived or actual material conflicts of interest or related party transactions, *Corporations Act 2001; s191 – 195*.
- ensure the financial affairs of Lifestyle Solutions are managed in a responsible manner and not allow the organisation to operate while insolvent, *Corporations Act 2001; s588G*.
- develop business, government and community networks and work to promote the reputation of the organisation.
- act as ambassadors and to protect the best interests of Lifestyle Solutions and the people it serves when making public comments.

Confidentiality

Confidential information about the organisation received by Directors in the course of their duties remains the property of Lifestyle Solutions unless that disclosure has been properly authorised or is required by law. Directors will keep confidential all Board discussions, deliberations and decisions which are not publicly known.

Directors' obligations in relation to confidentiality are set out in Lifestyle Solutions Director's *Deed of Access, Confidentiality and Indemnity (s6)*, which Directors sign on appointment.

Independence of Directors and Conflict of Interest

Independent Directors are those who have the ability to exercise their duties unfettered by any business or other relationship and are willing to express their opinions at Board meetings free of concern about their position or the position of any third party. Lifestyle Solutions is committed to operate in an ethical and transparent manner, ensuring that any actual, potential or perceived conflicts of interest are identified and managed effectively so as not to impact upon Board decisions.

Where an actual or potential conflict of interest is identified, appropriate mitigation processes will be applied and the matter will be recorded in the Conflicts of Interest Register maintained by the Company Secretary, in accordance with Clause 13.10 of the Constitution. *Refer to Conflict of Interest Policy and Procedures 2.0, October 2017.*

To preserve independence, the Chairperson is not to exercise the role of CEO of Lifestyle Solutions, and is not to have held the position of CEO of Lifestyle Solutions within the last three years.

The Board will regularly assess whether each Director is sufficiently independent. Factors to consider include if the Director:

- has, within the last three years, been employed in an executive capacity by Lifestyle Solutions
- has served on the Board for a period which could materially interfere with the Director's ability to act in the best interests of Lifestyle Solutions
- is free from any interest and business or other relationship which could, or could reasonably be perceived to, materially interfere with the Director's ability to act in the best interests of Lifestyle Solutions
- has family ties with Lifestyle Solutions
- has a directorship, management position or other interest in an organisation that is competing for the same funding as Lifestyle Solutions.

Should any of the above instances arise, they are to be tabled at a Board meeting and, if the Directors agree the actual or perceived conflict can be mitigated, record the agreement and mitigation strategy on the Conflict of Interest register in accordance with the Conflict of Interest Policy.

A Director must advise the Chairperson immediately if they believe they may no longer be independent, or if they may have a perceived or actual conflict of interest. If the Director is the Chairperson, they should immediately raise with the Board. In addition:

- all information relevant to a determination of independence or a conflict of interest should be provided by the Director
- the Director should remove themselves from any discussions, decisions or votes relating to this conflict of interest
- the Director should resign if they are no longer able to act independently.

Should a Director have any concern about the independence or a conflict of interest of another Director, this concern must be raised with that Director via the chair and if the issue is not resolved, with the Board.

A Director shall not use their position, or the knowledge gained as a Director, in such a manner that a conflict arises between the interests of Lifestyle Solutions and the Director's personal interests. This includes potential conflicts of interest between governance and operational management functions.

Directors are to inform the chairperson prior to accepting any new appointment to any other entity's Board.

Directors' Code of Conduct

All Directors have an overriding responsibility to maintain the well-being of the organisation. They ensure that both legal and ethical governance is practised in the pursuit of Lifestyle Solutions' purpose and they provide leadership in setting and demonstrating the values and standards that influence the culture of the organisation.

To promote the organisations purpose and objects and protect its integrity, Lifestyle Solutions maintains a Code of Ethics and Conduct. The Code of Ethics and Conduct sets out the minimum standards and the prescribed principles must be applied by the Directors in their relationships and dealings with each other, the organisation, its clients and other members of the public.

Refer to LSNATCGPOL 1.0; Directors' Code of Ethics and Conduct, August 2016.

Access to Information and Independent Advice

The CEO and Company Secretary must provide the Board and committees with information in a form, timeframe and quality that enables them to effectively discharge their responsibilities and duties. All Directors are to receive copies of the agenda and briefing materials one week prior to a Board meeting.

Directors are entitled to request and receive such additional information as they consider necessary to support informed decision-making. This means:

- any Director has the authority to seek any information they require from the organisation
- such requests are to be communicated to the Chairperson, CEO or Company Secretary
- all such requests must be complied with.

Any Director may take such independent legal, financial or other advice as they consider necessary at the cost of Lifestyle Solutions. Any Director seeking independent advice must first discuss the request with the Chairperson who will facilitate obtaining such advice and, where appropriate, disseminate the advice to all Directors. Where the cost of such advice would exceed the allocated budget for this type of advice, the Board must make a decision about obtaining the advice.

Board Protection

The Constitution (clause 18) requires that every officer of Lifestyle Solutions shall be indemnified against any liability to third parties incurred by them in good faith in their capacity as an officer, including costs and expenses incurred in defending proceedings where judgement is given in favour of the officer.

Whilst the Directors are accountable for carrying out their duties under this Charter, Lifestyle Solutions shall ensure that Directors and Officers (D&O) insurance and deeds of access, confidentiality and indemnity are in place and their currency is maintained.

In accordance with the Constitution, the liability of the Directors is limited, in the event of Lifestyle Solutions being wound up, to an amount not exceeding \$50.

Recruitment and Appointment Process

It is expected that, collectively, Board members will have the broad range of skills, experience and knowledge, necessary to guide the business of Lifestyle Solutions. The Board is committed to ensuring it has sufficient diversity of backgrounds and perspectives within its membership to ensure good corporate governance and avoid the problems associated with 'group think'.

The Board maintains a profile that identifies the desirable skills and capabilities required by the Board as a whole, as well as the levels of skill and knowledge expected of all Directors.

The Governance, Nominations and Remuneration Committee (GNRC) annually reviews the Board's capability against the 'capabilities matrix' and assists the Board in profiling the skills, personal attributes and experience required to ensure the Board continues to provide effective governance, having regard to needs and challenges of implementing the Strategic Plan.

Nominations for Board appointment are assessed against these criteria.

The Board is to ensure that appointees bring relevant skills, experience and personal qualities that add value to the work of the Board and the work of the organisation.

The Board may make recommendations for appointment for approval at the AGM.

Letter of Appointment

New Directors are engaged through a letter of appointment setting out the details of the terms and conditions of their appointment, expectations of Directors, fees and expenses, indemnity and D&O insurance, requirements in relation to disclosure of interests and confidentiality, and induction and Director development arrangements.

They will be provided with a copy of the Constitution and the Corporate Governance Charter and required to sign a Deed of Access, Confidentiality and Indemnity.

The Director shall provide written confirmation of acceptance of their appointment and obligations, copies of which will be maintained for the organisation's record.

Induction and Development

Director Induction

Upon appointment each Director will receive a copy of this Charter and be given access to all the Board's corporate governance policies.

New Directors will undertake an Appointment and Induction process to familiarise themselves with Lifestyle Solution's activities and its governance requirements. They will be provided with relevant resources and opportunities to engage with management in the organisation.

The induction process, together with the Responsibilities of Prospective Director Information Pack and the Prospective Director Due Diligence documents, will provide an understanding of:

- the Organisation's financial, strategic, operational and risk management position
- the roles, responsibilities and duties of Directors, the CEO and the Leadership Team
- the nature and role of the established sub-committees of the Board
- Lifestyle Solutions' structure, operations and key developments affecting the Organisation.

Director Development

The Board is committed to its own learning and development and that of individual Directors. All Directors are responsible for undertaking some updating or development activity each year, as well as participating in activities or programs funded or arranged by Lifestyle Solutions.

All Directors are required to maintain up-to-date knowledge of the Board's policies, participate in regularly evaluating and reviewing their own and the Board's performance, and undertake continuing professional development relevant to the organisation.

This will be facilitated through an annual Board development day. The development day will, at a minimum, address the below:

- agree the methodology and timing for that years Board Evaluation (self-assessment v external review)
- refresher of all Governance policies (Company Secretary to provide overview, recommendations for updating and actual policies if required)

- Director training on at least one key item pertinent to the Board's development for the coming year.

The Chairperson is responsible for regular discussions with individual Directors on their ongoing professional development needs and facilitating appropriate development support and mentoring. The Board will dedicate time annually to agree on the whole of Board development activities and schedule these accordingly.

Board Procedures

Meeting Procedures

The proceedings specified in clause 14 of the Constitution must be observed in meetings of the Board of Directors. These regulate matters such as the quorum necessary for the transaction of business and the authority to act to ensure a quorum, chairing the meeting and voting.

Additionally, the Board has the following procedures in place for the effective conduct of its business:

- The Company Secretary will oversee
 - o the preparation of the Board's annual calendar and work plan
 - o the preparation of agendas, minutes and maintenance of records of the Board's business
 - o processes for ensuring timely, relevant and quality papers and information are provided to the Board, to support good decision-making
 - o the Board's requirement for the standardisation of the reports and papers prepared for its consideration
 - o the follow-up of matters and out-of-session decisions in a timely way.
- The Chairperson will facilitate open, robust and candid deliberations of matters and sound, participatory decision-making
- Board meetings will be face-to-face whenever practicable. When required and where possible, videoconference will be used as the preferred alternative to face to face meetings, with only one Director to use teleconference.
- An *en-camera* meeting for matters requiring discussion without the CEO or other staff present will occur prior to each regular meeting of the Board. The Chairperson will keep a record of items discussed.

Participation

- All Directors are expected to give sufficient commitment to the Board's meeting schedule, to be adequately prepared and to participate fully in its deliberations.
- The CEO will be present at Board meetings, with the exception of specific *en-camera* sessions scheduled by the Board.
- The CEO and Chief Finance Officer will provide reports as agreed with the Board.
- The Company Secretary will attend Board meetings unless otherwise determined by the Board.
- Consultants and other key staff may be requested or invited to attend.

Board Evaluation

The Board is committed to the pursuit of ongoing governance improvement.

A comprehensive structured evaluation of the performance of the Board as a whole, its committees, the Chair and individual Directors will be undertaken at least triennially. External independent consultants will be engaged to conduct or facilitate the process.

Less formal self-assessment of the Board's performance will be taken annually and at other times, for example when vacancies occur or when there is a substantial shift in the organisation's business activities.

The individual performance of Directors, Chair and Company Secretary will be assessed from the Key Result Areas and Key Performance Indicators contained in their relevant Position Statements.

Exit interviews with retiring Directors also form part of the Board's evaluation process.

Refer to Board Evaluation Policy, October 2016.

The GNRC will assist the Board in the implementation of agreed recommendations arising from Board evaluations.

Committees of the Board

Whilst the Board cannot delegate its responsibilities or power of delegation, the Constitution (clause 19) enables the Board to establish committees to assist in fulfilling its duties and responsibilities. These may be standing committees which have an ongoing role or ad hoc committees constituted to deal with specific issues.

Committee membership is determined by the Board, taking into account the skills and experience of Directors, the spread of work and the potential for individual development opportunities and may include persons outside the Board. Committees may seek additional expertise through external engagement or otherwise, as required and approved by the Board.

Each committee must have formal Terms of Reference that set out its purpose, functions, authority, membership, meeting schedule and reporting processes. These documents are approved by the Board and include any delegated powers of the committee.

Each committee:

- is chaired by a Director
- makes recommendations to the Board based on the majority vote of eligible Members present
- has an obligation to keep minutes which are tabled at Board meetings for discussion and noting. The Chair of each committee will report any matters of substance to the next Board meeting.

Committees are reviewed annually to assess their performance, ongoing role and membership.

Lifestyle Solutions has three Standing committees, as documented below. There is also a Terms of Reference for Special Committees which may be convened by the Board from time to time.

Audit Risk and Compliance Committee

The role of the Committee includes assisting the board in the company's governance and exercising of due care, diligence and skill in relation to risk assessment, mitigation strategies and monitoring (including compliance), as well as overseeing all aspects of financial reporting, financial management and control, and internal and external audit functions.

Governance, Nomination and Remuneration Committee

The role of the Committee is to assist and advise the Board in matters relating to:

- Ethical standards, corporate governance standards, best practices and regulatory requirements
- The structure and composition of the Board
- Board succession planning and the appointment and re-election of directors

- The processes for evaluating the performance of the Board, its committees and directors
- Induction and continuing professional development programs for Directors
- The processes for recruiting a new director
- CEO selection, performance, and succession planning in accordance with policies
- Executive Team Leaders selection and succession planning.
- The level and composition of remuneration for the CEO, Executive Team and the Board
- Recommendations to Members relating to Director remuneration

Quality and Safeguarding Committee

The role of the Committee is to

- ensure that a robust Quality and Safeguarding framework operates with equal importance with financial and corporate functions within the organisations overall system of governance
- provide strategic oversight to ensure that an effective system of Quality and Safety operates at all levels of the organisation thus ensuring accountability and continuous improvement
- ensure excellence in the quality of care and safety in the services delivered
- ensure that the organisations legal, regulatory and ethical obligations are fully discharged
- assist and advise the Board in matters relating to quality and safety:
 - › Person directed, including the active participation of the customer; their satisfaction and their information;
 - › Workforce effectiveness, workplace safety, workforce planning, workforce capacity, workforce engagement and the organisation's duty of care responsibilities
 - › Clinical excellence, including best practice, evidence-based practice, performance and evaluation
 - › Clinical risk and safeguarding, including risk management and practice, identification and response, monitoring, review and practice improvement
 - › Contemporary national, state and territory standards

Review and Administration of this Charter

Document review Process

This Charter was approved on 27th June 2019 and is due for review on or before 26th June 2022.

The Corporate Governance Charter will undergo a formal review at least every three years, at which time it will be endorsed by the GNRC) and approved by the Lifestyle Solutions Board of Directors ("the Board").

Document Administration

The Company Secretary is responsible for facilitating the review process and will ensure all changes are clearly documented, refreshed on the Board portal and records of the original policy and changes are maintained.

Supporting Documents

Related Policies

This policy forms part of, and should be read in conjunction with, the Board Corporate Governance Policies (contained in the Board Governance Policy Workbook in the Board Portal) and the Board Code of Conduct.

Related Documents

- Lifestyle Solutions Constitution
- Board Members and Office Bearers Roles and Responsibilities
- Board Recruitment Remuneration and Succession Planning Policy
- Prospective Director Information Pack
- Director Induction
- Directors' Code of Ethics and Conduct
- Lifestyle Solutions Board Skills Matrix
- Delegations of Authority Policy
- Conflict of Interest Policy
- Board Evaluation Policy

Resources on Corporate Governance

- *The Not-for-Profit Governance Principles*, Second Edition January 2019, Australian Institute of Company Directors. <https://aicd.companydirectors.com.au/resources/not-for-profit-resources/not-for-profit-governance-principles>
- *Corporate Governance Principles, 4th Edition*, ASX Corporate Governance Council. <https://www.asx.com.au/documents/asx-compliance/consultation-draft-cgc-4th-edition.pdf>
- Australian Standard AS8000-2003: *Corporate Governance – Good governance principles*, available for purchase at SAI Global
- <http://www.communitydirectors.com.au/icda/tools/> - this site has a wide range of resources for both governing and managing non-profit organisations.
- *Governance for Good*. The ACNC's guide for charity board members, Guide – May 2018. www.acnc.gov.au/tools
- *ACNC Governance Standards Guide*, August 2013, ACNC. www.acnc.gov.au
- *Manage my Charity, Meet Governance Standards*, ACNC. www.acnc.gov.au
- *Manage my Charity, Companies Limited by Guarantee*, ACNC. www.acnc.gov.au
- *Good Governance Guide 2016*, Governance Institute of Australia. www.governanceinstitute.com.au
- *The CEO and the Board*, Institute of Community Directors Australia, www.communitydirectors.com.au
- *Directors Tools: Role of the Chair, Governance Relations*, Australian Institute of Company Directors 2016 <https://aicd.companydirectors.com.au>
- *Directors Tools: Role of the Board – Board Charter*. Australian Institute of Company Directors 2016 <https://aicd.companydirectors.com.au>

