

Board of Directors Board Charter

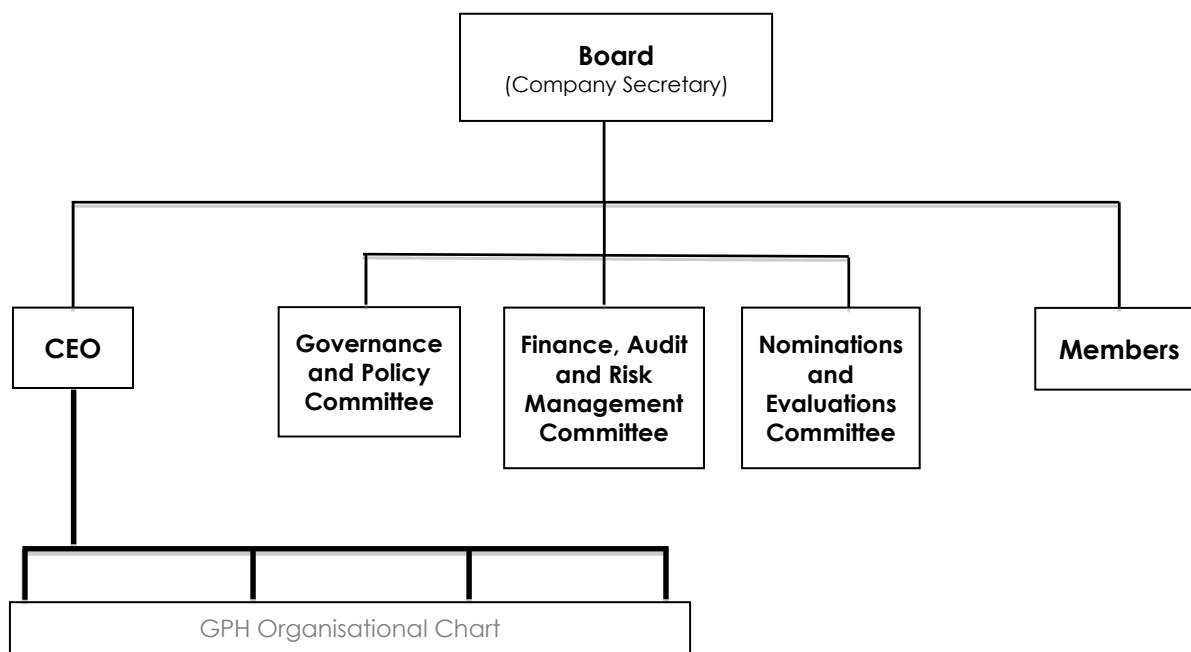
Board approved: Feb 2016

PURPOSE

This Charter sets out the framework for governance at Grand Pacific Health and defines the roles, responsibilities, protocols and authorities of the Board of Directors, both collectively and individually.

GOVERNANCE

Grand Pacific Health Limited (GPH) is an independent membership based organisation established under the Corporations Act (2001) as a public company limited by guarantee. GPH operates under a Constitution and this Board Charter has been developed to further define the role of the Board. In the event of any inconsistency, the Constitution takes precedence. The governance arrangements at GPH are shown in the diagram below.



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ROLE OF THE BOARD

Ultimately, the Board is accountable to GPH's members and other stakeholders for meeting the strategic goals of GPH and for ensuring the company remains vibrant, productive and relevant. The GPH Board has a number of core responsibilities and these are explained below.

Direction setting and decision-making:

- Establishing the policy framework and approve policies
- Setting, reviewing and monitoring strategic direction
- Input to and approval of the annual operating budget (including the capital management budget)
- Appointing and removing the CEO
- Appointing and removing the Company Secretary
- Appointing the Auditor
- Appointing Directors

Accountability:

- Establishing performance goals for the organisation as a whole against the strategic priorities
- Monitoring and assessing progress against those goals
- Oversight of organisation including its control and accountability systems
- Establishing explicit performance measures for the CEO and monitoring performance against these
- Approving and monitoring the progress of major capital expenditure, capital management and acquisitions/divestitures
- Approving and monitoring financial and other reporting to the market, members, employees and other stakeholders

Relationships:

- Board and executive management development and succession planning
- Acting as ambassadors for GPH internally and externally
- Setting the 'tone at the top'
- Developing an effective working relationship with the CEO and executive team
- Ensuring appropriate stakeholder communication

Quality and standards:

- Setting an acceptable level of risk for the organisation
- Ensuring appropriate governance for corporate and clinical responsibilities at GPH
- Reviewing and approving financial objectives, performance goals and plans, accounts and budgets for GPH

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- Having a robust system of compliance with all relevant legal, tax and regulatory obligations
- Conducting all business with the highest ethical standards
- Establishing and monitoring an environment where the organisation and the Board are focussed on their duty of care and on the overarching goals of the company

MATTERS RESERVED FOR THE BOARD

The GPH Board has reserved a number of matters for specific attention and/or decision and these are listed below. All are non delegable and are dealt with by the Board on an as needs basis:

- Approval of capital equipment of a value over \$20,000
- Investment decisions for company capital
- Appointment and removal of the CEO
- Changes to the organisation structure
- Entering into contractual agreements over a three year period or \$300,000
- Formation of and delegation to Board committees
- Amending and approving GPH Board Charter
- Delegations to the CEO
- Approach to and strategy for stakeholder engagement
- Establishment of and changes to Clinical governance framework
- Establishment of and changes to Regulatory compliance framework
- Board and organisation Codes of Conduct
- Development and approval of policies associated with:
 - Anti-bullying
 - Child protection
 - e-Health
 - Feedback and Complaints
 - Fraud & Corruption Prevention
 - Open Disclosure
 - Privacy
 - Risk Management
 - Whistleblower
 - Work Health & Safety

ROLE OF THE CHAIR

The Chair is the leader of the Board, the official representative and spokesperson for the Board and the principal link between the Board and the CEO.

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The Chair's role and responsibilities include:

- Providing leadership to the Board
- Ensuring the efficient organisation and conduct of the Board
- Chairing Board meetings
- Promoting an environment of trust, respect and openness to ensure consultative and constructive relationships between the Board and management
- Regularly reviewing progress on major initiatives, discussing significant issues and providing advice and counsel on a regular basis to the CEO.

The Chair is appointed to the position for 12 months elected by the Board to the position.

ROLE OF THE DEPUTY CHAIR

One of the directors on the Board is nominated as a Deputy to the Chair. In the event that the Chair is unavailable, the Deputy may take on the responsibilities of the Chair on a temporary basis and act as the Chair.

RESPONSIBILITIES OF DIRECTORS

GPH Directors have the ultimate responsibility for the overall successful operations of the company and must act at all times in the best interests of GPH. Directors are expected to be forthright in Board meetings, to be adequately prepared and have a duty to question, request information, raise issues and consider all aspects of any issue facing the company and offer an honest opinion, based on their own judgement. Where necessary, Directors must vote on matters according to their own assessment and understanding. Outside the Boardroom, directors must support all Board decisions to all stakeholders.

Directors are expected to develop and maintain productive and harmonious relationships with other Board members and to work with the CEO to get to know the executive team. Directors are encouraged to attend GPH events, Board dinners, Planning sessions and other activities that may be scheduled throughout the year.

No information provided to Directors in the exercise of Director's duties can be used outside the Boardroom, without appropriate authorisation. Directors are bound by a Code of Conduct and the overriding fiduciary duty to act in good faith and in the best interests of the company.

Directors must comply with GPH Conflicts of Interest and Related Party transactions policies ensure any changed interests are noted promptly.

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In addition, GPH Directors are specifically responsible for:

- Attending meetings on a regular basis, including participating in 'non executive only' sessions of the Board
- Preparing adequately through reading all papers and completing any other necessary preparation
- Participating as a member or chair in at least one Board sub committee
- Maintaining professional qualifications and knowledge to retain currency with their expertise for the best interests of the company
- Contributing constructively to the operating environment of the Board and to the overall success of the company
- Engaging in a regular process of self and Board evaluation
- Acting as credible ambassadors for the company outside of meetings, and representing to company well to all stakeholders.

ADMINISTRATION AND PROCESS

Board Structure

The GPH Board comprises up to seven directors, including a Chair, a Deputy Chair and five Directors.

Board Committees

The Board may from time to time establish committees to assist it in discharging its responsibilities. For each standing committee, the Board adopts a formal charter setting out the matters relevant to composition, responsibilities and administration of these committees.

The Board may also delegate specific functions to ad hoc committees, and these powers are set out in board resolutions.

Board Committees have limited delegated authority and exist primarily to provide recommendations to the Board on issues relevant to their respective responsibilities. Each committee has a Charter outlining its purpose, powers as delegated by the Board, composition and reporting requirements. All Board members are entitled to attend committee meetings as non-members and are entitled to receive committee papers.

Current standing committees are Governance and Policy; Finance, Audit and Risk Management; and Nominations and Evaluation. The roles, membership and Terms of Reference for each Committee are documented separately.

Committee membership, performance and continued value are reviewed on an annual basis.

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Board Meetings

The Board of GPH meets at least six times per year. Board meetings are held at various locations. Of the scheduled meetings at least one is dedicated to strategic planning, and other meetings may be called as required. Board papers are received 7 days prior to Board meetings to ensure Directors are adequately prepared.

Leave of absence

Board members must seek the Board's approval for a leave of absence. Leave of absence for periods greater than three months will suspend the Director's stipend payments.

Board Composition

The Board ideally comprises a broad range of qualifications, skills and experience so that it may direct the Company for the benefit of its members. It is also desirable that the Board has reasonable coverage of the geographical area of operations.

The skills and expertise required include a mix of clinical and commercial skills, and a Skills Matrix will be considered by the Board to monitor and plan for any arising vacancies.

Selection and Appointment

Directors are appointed by the Board on account of their particular skills, qualifications and experience, and as a complement to the existing directors. Sourcing and identifying these directors is the responsibility of the Nominations Committee, who makes a recommendation to the Board on suitable candidates.

Directors hold office for a term of three years and no director can be appointed more than three times in succession.

Rotation and Tenure

To ensure a gradual and controlled renewal of directors, a number of directors retire at each AGM and may be re-appointed if eligible. No Board member may serve longer than three terms consecutively.

Induction and Development

The Nominations and Evaluation Committee is responsible for an Induction Programme for new directors. The Chair, the CEO, the Company Secretary and all Board members are expected to contribute to the induction of all new directors.

Development activities for the Board as a whole and Directors on an individual basis will be available from time to time. Committee membership, Conference attendance and Board representation are all opportunities that are shared within the Board.

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Evaluation

The Board considers the ongoing development and improvement of its own performance as a critical input to effective governance. To achieve this, the Board will regularly review the effectiveness of meetings and will undertake an annual review of the Board, including composition, achievements and operations annually. From time to time an external advisor will assist with this process.

Remuneration

Board Members are remunerated for their Director's duties by an annual fee, payable quarterly, in arrears. Reasonable expenses will be reimbursed and require prior approval by the Chair. The Nominations and Evaluation Committee is responsible for setting and monitoring the level of remuneration and reviews this on a bi annual basis. Remuneration is benchmarked using relevant comparisons in the Not for Profit, both in the health industry and with other organisations of a similar scale and scope. Remuneration policy is based on the principles of simplicity and moderation.

Relationship with Management

The Board is responsible for ensuring a productive and harmonious relationship with the CEO and the executive team. The Chair and CEO are the primary point of contact for this relationship. Board members have complete and open access to organisational information and the right to seek explanations and further information but only via the CEO. Board members should not approach staff directly and should refer approaches from staff to management.

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ROLE OF THE CEO

- The CEO is responsible to the Board for the day-to-day management and performance of Grand Pacific Health Limited, and the implementation of the Board's approved strategy
- The CEO manages and operates the company in accordance with current good practice guidelines, with regard to efficiency and effectiveness and in line with all relevant legislation, regulations and industry guidelines
- The CEO has primary responsibility to bring to the attention of the Board and each Committee, issues that fall within the Board's accountabilities or any other issue, which the CEO considers requires the attention of the Board and Committees
- The CEO is responsible for assisting the Board in developing the Strategic Plan, the vision and the values and for the subsequent development and presentation of flow on Business plans for the company
- The CEO prepares or arranges the preparation of timely and accurate reports, presentations and records to the Board
- The CEO may delegate to GPH management through the Board approved delegations framework
- A detailed Position Description and a Contract of Employment provide specific responsibilities and accountabilities for the CEO role.

ROLE OF THE COMPANY SECRETARY

The Board is supported by the Secretary who is accountable for the company's governance processes and for providing general advice to the Board. Specifically, the Secretary is responsible for:

- Accurate and timely production of advice and papers for the Board
- Holding a complete set of accurate board papers at GPH head office and providing access to these papers to Directors
- Establishing and maintaining a register of conflicts of interest and a register of related party transactions
- Maintaining, updating and distributing to Board members an up to date copy of this Board Charter and associated governance documentation
- The Board is responsible for the appointment, assessment and removal of the Secretary

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OPERATING PRINCIPLES

Conduct

The GPH Board is committed to operating in the most ethical and accountable way possible, and has developed and agreed to a range of measures to ensure these standards are maintained and monitored. All Board members agree to operate in line with the GPH Board Code of Conduct. Conflicts of Interest are identified at every meeting and all Directors complete a Register of Interests that is updated formally on an annual basis and available for update continuously.

Outside Advice

Directors and members of sub-committees have access to the advice of external experts, at the expense of GPH, when required. Directors make requests for such advice at meetings of the Board or directly to the Chairman. Any advice obtained is made available to the whole Board.

Board Member Protection

Board members are entitled to indemnity protection through GPH's insurance and details of this are contained in the Director's Handbook and are managed by the Company Secretary.

Review of this Charter

The Board will review this Charter every two years to confirm it remains consistent with the Board's objectives, responsibilities and contemporary good practice.

Publication and Distribution

Hard copy – Director's Handbook
Available on GPH Website

Review Date

March 2018

Responsibility

Company Secretary