

## **OPPORTUNITY INTERNATIONAL AUSTRALIA BOARD CHARTER**

25 May 2022

### **INTRODUCTION**

This Board Charter sets out the corporate governance policy of Opportunity International Australia (**Opportunity** or the **Company**) and defines the roles, responsibilities, protocols and authorities of the Board of Directors, both individually and collectively.

All defined terms have the meaning given to them in the Constitution and the By-Laws unless the context requires otherwise.

### **Governance**

Opportunity is a not-for-profit organisation, a registered charity, and is a public company limited by guarantee that operates under a Constitution and By-Laws. The Board Charter supports the Constitution and By-Laws and in the event of inconsistency, the Constitution takes precedence over both the By-Laws and the Board Charter, and the By-Laws take precedence over the Board Charter.

Among other matters, the Constitution and By-Laws set out Opportunity's Statement of Faith, Vision, Mission, Motivation, Method and Core Values.

### **ACNC Governance and External Conduct Standards**

Opportunity is registered with the Australian Charities and Not-for-profits Commission (**ACNC**) and must comply with both:

- the ACNC Governance Standards which set out minimum standards that deal with how Opportunity is governed (including processes, activities and relationships);<sup>1</sup> and
- the ACNC External Conduct Standards which govern how Opportunity must manage its activities and resources outside Australia.<sup>2</sup>

As a public company limited by guarantee, Opportunity is also subject to the provisions of the *Corporations Act* 2001 (Cth). However, section 111L of the Corporations Act provides that certain provisions in the Corporations Act no longer apply to charities registered with the ACNC.<sup>3</sup>

### **DFAT accreditation**

Opportunity is fully accredited by the Department of Foreign Affairs and Trade (**DFAT**) and receives federal government funding through the Australian NGO Cooperation Program

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<sup>1</sup> See <https://www.acnc.gov.au/tools/topic-guides/governance-standards> for further information.

<sup>2</sup> See <https://www.acnc.gov.au/for-charities/manage-your-charity/governance-hub/acnc-external-conduct-standards> for further information.

<sup>3</sup> See <https://asic.gov.au/for-business/running-a-company/charities-registered-with-the-acnc/corporations-act-provisions-that-no-longer-apply-to-charities-registered-with-the-acnc/> for further information.

(ANCP). Each year DFAT assesses our funding proposals to ensure compliance with the ANCP Guidelines and Guiding Principles.

### **ACFID Code of Conduct**

Opportunity is a full member of the Australian Council for International Development (ACFID), and is a signatory to the ACFID Code of Conduct. This Code of Conduct outlines minimum standards of management, accountability and governance for organisations that work in the international development field. The Code also outlines standards for how organisations are managed, how they communicate with the public, and most importantly, how they spend the funds they raise.<sup>4</sup>

In accordance with this Code and consistent with principles of basic human rights, Opportunity places a high importance on the dignity, values, history and culture of the people with whom it works. Opportunity opposes, and will not be a knowing party to, wrongdoing, corruption, bribery or other financial impropriety in any of its activities.

### **THE BOARD**

Article 20 of the Constitution prescribes the number of Directors and sets out how they are elected or appointed.

Article 29 of the Constitution provides for the election of the Chair of the Board for up to two consecutive terms of three (3) years (and the CEO is not eligible for election as the Chair). In addition, the Chair must be an independent, non-executive Director who is selected on the basis of their achievements and record as a leader.

By-Law 7 provides that at least half of the Directors, including the Chair, are to be independent Directors (as determined in accordance with that By-Law).

### **Powers and duties of the Board**

The powers and duties of the Board are set out in Article 24 of the Constitution.

The Board is accountable to Opportunity's members and other stakeholders for protecting and enhancing the overall interests of Opportunity.

The key functions and responsibilities of the Board include:

- working with management to develop, approve and implement corporate strategy;
- approving and monitoring the annual budget, financial reporting and financial performance;
- approving and monitoring major capital expenditure, investments, loans and grants;
- overseeing management and operations;
- selecting, appointing, managing, evaluating and removing the CEO;
- delegating authority to the CEO, management and Committees to ensure effective day-to-day management, operations and administration;

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<sup>4</sup> For information on how the ACFID Code of Conduct maps to the ACNC External Conduct Standards, see <https://www.acnc.gov.au/for-charities/manage-your-charity/governance-hub/acnc-external-conduct-standards/acfid-code-conduct>.

- approving the remuneration of the CEO, and executives who report directly to the CEO, and ensuring a succession plan is in place for these positions;
- input into, and review of, performance objectives and monitoring management's performance;
- ensuring robust and effective risk management, compliance and control systems (including legal and regulatory compliance) are in place and operating effectively;
- reviewing and monitoring control and accountability systems;
- overseeing the development and approval of policies and standards; and
- providing leadership by guiding the development of an appropriate culture and values and always acting in a manner consistent with the Code of Conduct set out in this Board Charter.

### **Board skills and diversity**

All Directors should bring specific skills and experience that add value to the Company. The Appointments and Compensation Committee regularly reviews the diversity of skills, experience, qualifications, gender, age, geographic representation, relationships and personal attributes on the Board to ensure an appropriate balance is maintained to increase the Board's effectiveness.

### **Meetings**

Unless otherwise agreed, the Board will meet at least six times per year. Article 28 of the Constitution governs meetings of the Board and provides:

- the quorum necessary for decisions to be valid is at least half of all Directors (rounded down to the next lower whole number if the number of Directors is an odd number), with the minimum number of Directors in attendance being three;
- Directors may meet together either in person or using any technology that is agreed to by all of the directors, and that agreement may be a standing one;
- matters raised at Board meetings must be decided by a simple majority of votes; and
- in case of a tied vote, the Chair will have a second or casting vote.

### **Agenda and Board papers**

A detailed agenda together with Board papers must be circulated to Board members at least five days prior to each meeting. Board members should prepare thoroughly for Board meetings to be able to provide appropriate and constructive input on matters for discussion. No papers requiring decision can be tabled at the Board meeting, except with the unanimous approval of the Board.

### **Electronic access to documents**

Access to Board and Committee papers, charters, policies, the business plan and other governance documentation is provided electronically through a Board portal which is administered by the Company Secretary. Directors have access to the Board portal via a secure login and password.

## **THE ROLE OF INDIVIDUAL DIRECTORS**

Opportunity Directors have ultimate responsibility for the overall successful operations of the Company and must act in the best interests of Opportunity. Directors are expected to be forthright in Board meetings and have a duty to question, request information, raise any

issue, fully canvass all aspects of any issue confronting the Company and cast their vote on any resolution according to their own judgement. Outside the boardroom, however, Directors must support the letter and spirit of Board decisions to all stakeholders.

### **Directors' Code of Conduct**

Opportunity actively promotes ethical and responsible behaviour and decision making. Its policy is to conduct business according to the highest standards of honesty, integrity, respect and fairness when dealing with its clients, supporters, funding bodies, suppliers, workers and other stakeholders. It also strives to comply with all laws and regulations and requires all workers to do the same.

The following principles constitute the Directors' Code of Conduct:

1. Directors must act honestly, in good faith and fairly in the best interests of Opportunity and for its charitable purposes.
2. Directors must act with reasonable care and diligence in fulfilling the functions, and exercising the powers, of their office.
3. Directors must use the powers of their office for proper purposes, acting fairly in the best interests of Opportunity and for its charitable purposes.
4. Directors must recognise that their primary responsibility is to Opportunity but may, where appropriate, have regard for the interests of other stakeholders.
5. Directors must not misuse their position as a director, or misuse information acquired as a director.
6. Directors must comply with Opportunity's Conflict of Interests Policy and disclose and manage any actual, potential or perceived conflicts of interest, and not allow personal interests, or the interests of any associated person, to conflict with the interests of Opportunity.
7. Directors must ensure that Opportunity is run as a not-for-profit, provides information about its charitable purpose to the public and works towards its charitable purpose.
8. Directors must ensure that Opportunity takes reasonable steps to be accountable to its members, and allows them adequate opportunities to raise concerns about how Opportunity is run.
9. Directors must ensure that the financial affairs of Opportunity are managed responsibly, and must not to allow Opportunity to operate while it is insolvent.
10. Directors must be independent in judgment and actions and to take all reasonable steps to be satisfied as to the soundness of all decisions taken by the Board.
11. Directors must undertake diligent analysis of all proposals placed before the Board.
12. Directors must take reasonable efforts to ensure that Opportunity is operating efficiently, effectively and legally towards achieving its charitable purposes.
13. Directors must comply with Opportunity's Privacy Policy and treat confidential information received in the course of exercising official duties as the property of Opportunity and not disclose it, or allow it to be disclosed, unless that disclosure has been authorised by Opportunity, or the person from whom the information is provided,

14. Directors must not engage in conduct likely to bring discredit upon Opportunity.
15. Directors must be committed to promoting human rights, ensuring gender equity and gender equality, in our workplace and delivery of our programs, and safeguarding children and vulnerable people.
16. Directors must comply with the spirit, as well as the letter of the law, and with the ACNC Governance and External Conduct Standards, the ACFID Code of Conduct and the principles of this Code of Conduct.

### **Networking**

Developing networks and working to promote the reputation of the organisation are important ways for Directors to add value to Opportunity. Directors are expected to act as ambassadors and to develop and maintain connections for the benefit of Opportunity.

To enable the Board as a whole and management team to achieve an amicable and productive relationship, Directors are encouraged to become acquainted with Opportunity's management team. Directors should keep the CEO informed of discussions with staff outside of Board meetings and events.

Directors are encouraged to attend Opportunity events, Board dinners and other activities outside of Board meetings.

### **Conflict of interest and related party transactions**

Conflicts of interest is a standing agenda item at the beginning of every Board and Committee meeting, and Directors are required to declare relevant material conflicts of interests. Such conflicts will be recorded in the minutes of the meeting and be added to the Conflict of Interests Register kept by the Company Secretary.

If a material personal interest is declared by a Director, the rest of the Board or Committee members must decide to:

- exclude the conflicted party from further discussions and voting on the subject;
- allow the conflicted party to be present at discussions but not to vote;
- allow the conflicted party to be present at discussions and to vote; and/or
- determine if the conflicted party should receive any further information relating to the issue.

If the conflicted Director is permitted to participate in the discussions and/or voting, the other Directors must be satisfied that the interest should not disqualify the conflicted party from being present at discussions and/or from voting on the matter.

The minutes of the meeting must record who the conflicted party was, the nature and extent of their interest, the decision of the Board in relation to the conflict, who was present for the discussion and who voted on the decision.

### **Authority**

Individual Directors have no individual authority to participate in the day-to-day management of Opportunity, including making any representations or agreements with member companies, suppliers, customers, employees or other parties or organisations.

The exception to this rule is where the Board passes a resolution explicitly delegating authority to a Director individually (or two or more Directors collectively). However, the full Board retains responsibility for the delegated power.

### **THE ROLE OF THE CHAIR**

The Chair is responsible for leading the Board, ensuring Directors are properly briefed in all matters relevant to their role and responsibilities, facilitating Board discussions and managing the Board's relationship with management.

If the Chair is absent from a meeting, the Board will select one of the members present to act as the Chair for that meeting.

#### **Inside the boardroom**

Inside the boardroom the role of the Chair is to:

- establish the agenda for Board meetings in consultation with the CEO ensuring the right matters are considered;
- be clear on what the Board has to achieve, both in the short and long term;
- provide guidance to other Board members and promote the on-going development of the Board and individual Directors;
- determine the degree of formality required at each meeting while maintaining the decorum of meetings and ensuring that the authority of the Chair is recognised;
- ensure all members are given the opportunity to contribute effectively and that decisions and debates are completed with a clear, formal resolution recorded; and
- ensure that the Board behaves in accordance with the Code of Conduct set out in this Board Charter.

#### **Outside the boardroom**

Outside the boardroom the role of the Chair is to:

- undertake appropriate public relations activities in conjunction with the CEO;
- be the spokesperson for the Company at the AGM and in reporting performance and outcomes;
- be the major point of contact between the Board and the CEO;
- be kept fully informed of current events by the CEO on all matters of interest to Directors;
- regularly review progress on important initiatives and significant issues with the CEO; and
- provide mentoring for the CEO.

### **THE ROLE OF THE CHIEF EXECUTIVE OFFICER**

The CEO is appointed by the Board in accordance with Article 24.1.6 of the Constitution. The CEO reports directly to the Board.

The overall purpose of the CEO role is to provide strategic leadership to the Company as well as ensure management and integration in alignment with the Company's vision, mission, core values and global strategic directions. This includes all areas of operations

including, but not limited to, strategy management, people management, operations management, financial resource management, risk management, board and partnership engagement while at the same time managing the performance and effectiveness of the senior executive team.

The CEO's key responsibilities include:

- **Fundraising:** working closely with the philanthropy team to develop the overall strategy for raising resources; including regular, direct engagement with supporters, major donors, business leaders, politicians and key partners both in Australia and overseas.
- **Programs:** working closely with the Asia Programs Director to oversee and develop the **Company's** programs across key geographies. To advise and support on complex investment decisions and support the Asia Programs Director regarding operational and oversight responsibilities of existing programs.
- **Strategic Innovation and Implementation:** for the effective delivery of our vision to provide a means for people to break the cycle of poverty.
- **External Communication and Engagement:** working closely with the philanthropy team to **develop** a highly effective strategy for external communications with supporters, partners and the wider public, including media. To oversee and lead Opportunity's relationship with state and federal governments.
- **Operational, Financial and Regulatory:** working closely with the Chief Financial Officer to **ensure** optimum processes including audit and risk management as well as identifying strategic opportunities for new forms of fundraising via financial markets. Lead and oversee the Company's relationship with external regulators.
- **Opportunity Global:** working closely with the Executive Director of Opportunity Global and the CEOs of independent Opportunity International organisations established outside Australia to drive the mission, purpose and values of Opportunity Global.
- **Team Leadership:** to provide vision and direction along with Christian leadership to **Opportunity's** team, including building and developing a high performing senior leadership team.

At all times, and across all functions and responsibilities, the CEO is to demonstrate servant-leadership through mature Christian character and stewardship.

The CEO is delegated by the Board to authorise all expenditures as approved in the budget, subject to:

- all CEO compensation, outside of normal monthly remuneration, must be authorised by the Chair; and
- all business-related expenses paid to the CEO must be approved by the Chair.

The CEO is responsible for the appointment of management roles and with ensuring an appropriate succession plan is in place for direct reports. Subject to approval by the Appointments and Compensation Committee, the CEO is also responsible for changes to remuneration arrangements for employees.

As a member of the Board, the CEO also has the duties and responsibilities of a Board member as outlined in this Board Charter.

### **THE ROLE OF THE COMPANY SECRETARY**

The Company Secretary is appointed by the Board in accordance with Article 33 of the Constitution.

The Company Secretary supports the effectiveness of the Board by monitoring that Board policy and procedures are followed and coordinating completion and dispatch of Board agendas, briefing papers and minutes.

The Company Secretary is responsible to the Board through the Chair and is appointed and dismissed by the Board. All Directors have a right of access to the Company Secretary. The Company Secretary must keep the CEO informed of discussions with Directors outside of Board meetings and events.

The responsibilities of the Company Secretary include:

- Ensuring the agenda and papers for Board and Committee meetings are prepared and forwarded to Directors five days prior to meetings;
- recording, maintaining and distributing the minutes of all Board and Committee meetings, and general meetings of the Company;
- preparing for and attending all annual and extraordinary general meetings;
- overseeing compliance with the Company's legal and regulatory obligations;
- maintaining a Register of Company Policies as approved by the Board;
- maintaining, updating and ensuring that all Directors have access to up-to-date Board documentation; and
- providing counsel on corporate governance matters.

### **BOARD COMMITTEES**

The detail of some Board functions is handled through Board Committees. However, the Board as a whole is responsible for determining the extent of powers delegated to each Committee and is ultimately responsible for accepting, modifying, or rejecting Committee recommendations.

The Board has established three standing committees; the Audit and Risk Committee, the Appointments and Compensation Committee and the Revenue Committee. The Board reserves the right to appoint other committees from time to time as deemed necessary.

Each Committee has its own Charter outlining its purpose, powers as delegated by the Board, composition and reporting requirements.



### **Committee papers and minutes**

All Committee papers and minutes are available to Directors on the Board portal. The Chair of each Committee provides an update of the Committee's activities at Board meetings along with any recommendations.

## **RISK MANAGEMENT**

The Board is responsible for reviewing and overseeing systems of internal control and risk management. In identifying areas of significant business risk and putting in place arrangements to manage those risks, the Board relies on the advice and expertise of the Audit and Risk Committee and management.

Opportunity's Risk Management Policy provides a framework to identify and manage risks and is designed to ensure efficient operations and compliance with legal and other obligations. Risks are identified by examination of operations and activities by the Board and management.

Risk exposure and control mechanisms are presented to the Board, together with mitigation and improvement strategies. Regular monitoring of risks and risk management is conducted by the Audit and Risk Committee and management, and material risks are reviewed by the Board. Major areas of risk are also reviewed by the Board on a regular basis and any preventative or remedial action taken where necessary.

The Audit and Risk Committee also assesses internal controls within Opportunity and looks at relevant legislative and compliance requirements to ensure they are being managed.

Opportunity undertakes an annual review of strategy and operations to update its risk profile in line with the risk appetite set by the Board in conjunction with management. While the responsibility for risk lies with the Board, oversight of the processes to manage risk within the organisation is delegated to the Audit and Risk Committee which reports regularly to the Board.

### **External Audit**

Article 36 of the Constitution provides that the Board is responsible for selecting, appointing and removing a qualified external auditor.

The Audit and Risk Committee makes recommendations to the Board on the effectiveness and appointment of the Company's auditors, being guided by the following principles:

- a registered company auditor and a member of an accredited professional body will be engaged;
- the audit partner and any audit team members must not be a Director or officer of Opportunity, or have a business relationship with Opportunity or any of its officers;
- the audit team cannot include a person who has been a former officer of Opportunity during that year;
- the auditors must have actual and perceived independence from Opportunity and are required to confirm their independence to the Board;

- the people conducting the audit must have the appropriate skills, knowledge and experience to ensure the truthful and factual representation of Opportunity's financial position;
- the auditor is not to provide non audit services under which the auditor assumes the role of management, becomes an advocate for Opportunity or audits its own work; and
- the auditor must be available to attend the Annual General Meeting to answer questions about the audit and the preparations and content of the auditor's report.

## **POLICY FRAMEWORK**

An important role of the Board is to provide input into and approve a set of policies by which Opportunity must operate. The Company's policies are available to Directors on the Board portal.

## **DIRECTOR PROTECTION**

### **Access to independent professional advice**

A Director of the Company is expected to exercise considered and independent judgement on the matters before them. To discharge this expectation, a Director may from time to time need to seek independent, professional advice on matters before them. Opportunity will pay for reasonable professional fees subject to the Director obtaining authority prior to engaging an external expert.

The protocol to obtain authority is as follows:

1. The Director will advise the Company Secretary in writing with a notice of an intention to seek independent professional advice detailing the nature of the opinion or information sought and the reason, terms of reference and the estimated cost of the advice. The Company Secretary shall immediately circulate the notice to all other Directors.
2. The other Directors have two business days from receipt of the notice to authorise the professional advice or object on the grounds that that it is not considered to be in the interest of Opportunity to pay for such advice.
3. If after two business days from the date the notice was circulated, a majority of the other Directors has advised the Company Secretary that:
  - a. they approve, then the Company Secretary will notify the Director seeking independent professional advice that Opportunity will cover the cost of such advice; or
  - b. they object, then the Company Secretary will notify the Director seeking independent professional advice that Opportunity will not cover the cost of such advice.

Where more than one Director is seeking advice about a single issue, the Company Secretary will endeavour to coordinate the provision of the advice. Any professional advice sought should be received on behalf of the Board as a whole.

### **Directors' and Officers' (D&O) insurance**

The Company arranges for the benefit of each Director a policy of D&O insurance in such reasonable accepted form approved by the Board after advice taken from the Company's insurance brokers. The Company maintains each Director's D&O insurance coverage for seven years from the date at which they cease to be a Director.

### **BOARD EVALUATION**

The Board considers the ongoing development and improvement of its own performance as a critical input into effective governance. To achieve this, the Board undertakes an annual evaluation of the performance of the Board, its Committees and the Chair with the results discussed at the following Board meeting.

A confidential performance assessment of individual Directors is also regularly conducted by the Chair.

The evaluations are determined through self-assessment and peer assessment. The process aims to encourage open and constructive discussion in relation to performance.

If a review of the Chair or an individual Director is unsatisfactory, the Board may invite the Chair or the Director to resign as Chair and/or a Director. If after being invited to do so:

1. the Chair declines to resign as Chair, the Board may declare the position vacant, and elect another Director as Chair; and
2. the Chair or a Director declines to resign as a Director, the Board may recommend to the Members that the Director be removed in accordance with the Constitution at a general meeting.

Directors and key executives have access to continuing education to update and enhance their skills and knowledge.

### **Director induction**

New Directors are provided with a letter of appointment setting out Opportunity's expectations, their responsibilities, rights and the terms and conditions of their appointment. All new Directors participate in an induction program which covers the operation of the Board and its Committees and the financial, strategic, operations and risk management issues of the business.

### **Director remuneration**

All non-executive Directors provide their services free of charge and are not provided with remuneration or retirement benefits.

### **Directors' expenses**

A Director is entitled to be reimbursed for reasonable expenses incurred in connection with the business of the Company. Reasonable expenses include the cost of interstate and international economy class flights and associated accommodation for travel undertaken on behalf of Opportunity. Directors may upgrade travel class at their own cost. Directors are to provide details and substantiation of their expenses to the Company Secretary.

The Chair approves the expenses of all other Directors including the CEO. Expenses of the Chair are approved by the Deputy Chair of the Board or by the Chair of the Audit and Risk Committee. Directors' expenses are recorded and will be made available to any Director on request.

### **STAKEHOLDER INTERESTS AND COMMUNICATION**

Opportunity respects the rights of stakeholders, including members, supporters, volunteers, employees and implementing partners and strives to facilitate the effective exercise of those rights. The Board seeks to ensure that members and other stakeholders have ready access to sufficient balanced and understandable information necessary to assess the performance of Opportunity.

Opportunity prepares an annual Financial Report (comprising the statutory accounts, Directors' report and auditor's report) which is considered and, if appropriate, received at each Annual General Meeting and lodged with the ACNC.

Opportunity also prepares an Annual Review which is made available to supporters. In addition, Opportunity utilises print and electronic communication facilities to provide more effective communication to supporters.

At the Annual General Meeting, members have the opportunity to direct any questions to the Board, and the external auditor is available to answer member's questions about the audit and auditor's report.