

OPPORTUNITY INTERNATIONAL AUSTRALIA BOARD CHARTER

July 2015

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.

Governance

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

Objectives

Opportunity helps people out of poverty through the provision of microfinance (small, collateral-free loans, savings, insurance, money transfers) and non-financial support services (such as business training). The aim is to help people start and build their own businesses, create jobs, stimulate small businesses and strengthen communities among the poor. This enables them to earn an income so they can afford food, clean water, proper shelter and an education for their children.

Throughout our programs, we work with people regardless of religion, race, ethnicity or gender.

Vision

Our vision is a world in which all people have the opportunity to achieve a life free from poverty, with dignity and purpose.

Mission

By providing financial solutions and training, we empower people living in poverty to transform their lives, their children's futures and their communities.

Why We Exist

Opportunity responds to Jesus Christ's call to love and serve the poor. We seek to emulate the Good Samaritan, whose compassion crossed ethnic groups and religions. Jesus' message to all people was one of hope – that God is with us and for us. God desires justice, and for all people to live with dignity and purpose.

Opportunity exists to bring about a measure of this justice, dignity and purpose for families living in poverty.

Methods

- We support local microfinance organisations that provide innovative financial solutions to empower people, create jobs and build vibrant communities.
- We create innovative partnerships to provide complementary services to our clients.
- We seek to positively impact the lives of our clients, staff and supporters.

- Our products, services and training enable clients to develop businesses, to save and to insure against an uncertain future.
- We strengthen and influence value chains to benefit our clients, connect them to viable markets and drive economic progress.

Core values

Commitment to the Poor – We are committed to loving and serving the poor and marginalized in the developing world, striving to enable lasting improvement in their lives, families, and communities. The needs, expectations, and wellbeing of the poor inspire everything we do.

Humility – We are committed to modelling our behaviour on being of service to one another, and not on any supposed personal superiority or advantage (whether based on our position, influence, personality, wealth or otherwise).

Integrity – We honour the trust placed in us by our clients, supporters, fellow members of the Opportunity International Network, and staff, endeavouring to manage all our resources transparently and in a manner that reflects our motivation. We aim to do the right things for the right reasons, whether or not anyone will know.

Respect – We operate on the basis of respect for all people; in particular, we aim to value fully each client and to affirm personal dignity and uniqueness. This respect is also the foundation for our relationships with clients' communities and with others involved in our work - supporters, suppliers and colleagues.

Stewardship – We are committed to being good stewards of resources, exercising a thoughtful and cost effective use of time, skills and finances. We promote excellence, professionalism and best practice in every aspect of our work, seeking to maximise every opportunity to fulfil our mission.

Transformation – We are committed to providing services, resources and encouragement that equip our clients, their families and communities for better economic prospects, new futures, new hope and dignity.

AusAID accreditation

Opportunity is fully accredited by the Australian Agency for International Development (AusAID) and receives federal government funding through the AusAID-NGO Cooperation Program (ANCP). Each year AusAID 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.

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 ROLE OF THE BOARD

Ultimate responsibility for the governance of Opportunity rests with the Board. It is responsible for the oversight of the organisation, including input into, and approval of, policies and practices, strategy, management and operation of the Company. The Board has delegated the responsibility of management, operation and administration to the management team, with whom it has open access to discuss current and future business issues, risks and strategies. The Board oversees the activities of management to ensure these delegated duties are carried out as directed.

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
- selecting, appointing, managing, evaluating and removing the Chief Executive Officer (CEO)
- delegating authority to the CEO, management and committees to ensure the effective day-to-day management of the business
- 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 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 to the Company by guiding the development of an appropriate culture and values for the Company and always acting in a manner consistent with the code of conduct.

BOARD STRUCTURE AND MEETINGS

Number of Directors

The number of Directors on the Board must be at least seven and no more than fourteen. The Chair must be a non-executive Director.

Director independence

At least half of the Directors, including the Chair, are to be independent Directors. A Director is considered independent if he or she is not a member of management and:

- has not, within the last three years, been employed in an executive capacity by Opportunity, and
- has no material business or other relationship (such as a family relationship) or circumstance that could interfere with the exercise of independent judgement or the ability to act in the best interests of Opportunity.

The independence of the non-executive Directors is assessed on an ongoing basis.

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.

Appointment of Directors

Directors are elected by the members at the Annual General Meeting for a term of up to three years. Directors cannot serve more than three consecutive terms of up to three years as a Director, with the exception of a Director serving as the Chair who can remain on the Board until his or her term as Chair is complete.

Between general meetings the Board may appoint a Director, who meets all the requirements of a Director, who may serve until the following general meeting when he or she must either resign or stand for election.

Rotation of Directors

Directors must stand for re-election after each three year term and are limited to a maximum of three terms (with an additional term allowed for a Chairman) to facilitate a gradual and controlled renewal of Directors.

Meeting frequency

Unless otherwise agreed, the Board will meet at least six times per year. Meetings may be held in person, by telephone, or by web or video conference.

Quorum

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), attending in person, by telephone, web or video conference, with the minimum number of Directors in attendance being three.

Voting at meetings

Matters raised at Board meetings must be decided by a simple majority of votes. 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.

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

Confidentiality

Confidential information received by a Board member in the course of the exercise of the Directors' duties must not be used or disclosed outside the boardroom, without appropriate authorisation.

Conflict of interest and related party transactions

Directors must comply with Opportunity's Conflict of Interests Policy and disclose any actual or potential conflicts of interest which may exist or might reasonably be thought to exist. 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 Director has a conflict of interest, then the Director must absent himself or herself from the room when matters related to the conflict are discussed. However, where the Board passes a resolution that identifies the Director, the nature and extent of the Director's interest and clearly states that the remaining Board members are satisfied that the interest should not disqualify the Director, then that Director can take part in discussions and voting involving the conflicting interests.

Director's code of conduct

Directors are bound by the overriding fiduciary duty to act in good faith and in the best interests of the Company as well as fulfil their legal obligations. The Board has adopted a Code of Conduct modelled on the Australian Institute of Company Directors published Code of Conduct.

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.

Election of Chair

The Board will elect one of its members to be the Chair for a term of up to three years. The Chair is eligible to be re-elected for a second term of up to three years, however no Director can hold the position of Chair for more than two consecutive terms of three years.

The Chair must be an independent, non-executive Director who is selected on the basis of his or her achievements and record as a leader. 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.

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 reports directly to the Board and is responsible for achieving Opportunity's objectives and vision for the future, in accordance with the strategies and policies approved by the Board. The CEO's key responsibilities include:

- developing and implementing the strategic objectives as agreed with the Board
- leading the organisation to achieve budget results and other targets within agreed risk, governance and financial parameters
- recruiting, developing and retaining talented people to work at Opportunity, providing mentoring and guidance to direct reports and establishing a strong management team
- monitoring organisational performance and the performance of direct reports against agreed goals
- overseeing the establishment of effective risk management and internal control systems, policies, processes and procedures

- establishing a strong working relationship with the Board and reporting regularly with appropriate, timely and quality information so the Board can discharge its responsibilities effectively
- recommending to the Board significant operational changes and major capital expenditures where these are beyond the delegated authority
- communicating throughout Opportunity the strategic objectives, mission, vision and values, ensuring these are achieved in practice and creating a positive working environment, and
- representing, communicating and advocating on Opportunity's behalf to external stakeholders and the community.

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.
- 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 the Board Charter.

THE ROLE OF THE COMPANY SECRETARY

The Company Secretary is responsible for all governance matters and 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 Chairman and is appointed and dismissed by the Board. All Directors have a right of access to the Company Secretary.

The responsibilities of the Company Secretary include:

- ensuring the agenda and Board papers are prepared and forwarded to Directors five days prior to the Board meeting
- recording, maintaining and distributing the minutes of all Board meetings, Board committee meetings, and general meetings of the Company
- preparing for and attending all annual and extraordinary general meetings
- overseeing the Company's compliance program and ensuring Opportunity's legislative obligations, regulatory body requirements, including ASIC, ATO and ACNC, are met
- 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.

Appointments and Compensation Committee

The Appointments and Compensation Committee is responsible for nominating candidates for the Board to consider as Directors and reviewing the remuneration arrangements and policies applicable to the CEO and senior executives. The Appointments and Compensation Committee consists of a majority of independent Directors, is chaired by an independent Director and has at least three members.

Nomination

Prior to Board approval, the availability, skills, expertise and possible conflicts of interest of a new Director are fully explored. Following Board approval and relevant probity checks, a new Director can be appointed by the Board to fill a casual vacancy and must stand for election by Opportunity's members at the next AGM. Notices of general meetings for the election of Directors comply with the ASX Corporate Governance Principles and Recommendations.

Remuneration

The Appointments and Compensation Committee reviews the remuneration arrangements and policies applicable to the CEO and management. The Appointments and Compensation Committee also approves changes to remuneration arrangements for all employees after receiving recommendations from the CEO.

CEO Evaluation

The CEO's performance is assessed annually by the Appointments and Compensation Committee by reviewing achievements against goals, targets and other key performance indicators as determined by the Board. The CEO conducts performance appraisals in a similar manner for other members of the management team and direct reports semi-annually.

Audit and Risk Committee

The function of the Audit and Risk Committee is to independently verify and safeguard the integrity of Opportunity's financial reporting and oversee risk management. The Audit and Risk Committee consists of a majority of independent Directors, is chaired by an independent Director who is not the Chair of the Board, and has at least three members.

The Audit and Risk Committee reviews financial information and corporate internal controls and risk assessment practices, to ensure the adequacy of Opportunity's administrative, operating and accounting controls.

Revenue Committee

The function of the Revenue Committee is to assist the Board in supporting Opportunity's revenue raising activities and to ensure there are adequate resources for Opportunity to achieve its program objectives. The Revenue Committee is comprised of at least three Directors, the CEO and Philanthropy Director and external members with relevant expertise, experience and/or contacts.

Circulation of committee papers

All committee minutes are to be included in the Board pack for the next Board meeting. The Chair of each committee presenting minutes provides a verbal update of the committee's activities prior to the board's endorsement of the committee's minutes.

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

The Board is responsible for selecting, appointing and removing a qualified external auditor, subject to the members' approval at the Company's Annual General Meeting. The Audit and Risk Committee makes recommendations to the Board on the effectiveness and appointment of the Company's external 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.
- The audit partner and the independent review partner are required to rotate at least every five years with a minimum three year 'cooling off' period before being reappointed to the audit team.
- The external 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 key policies that require Board approval include the following:

- Delegation of Authority Policy
- Anti-Bribery and Corruption Policy
- Anti-Harassment and Non-discrimination Policy
- Cash Reserves and Disbursement Timelines Policy
- Conflict of Interest Policy
- Human Rights Policy
- Privacy Policy
- Reimbursement of Director's Expenses Policy
- Risk Appetite Matrix
- Travel Policy
- Whistle Blowing Policy

Delegations of authority

Opportunity's Board has reserved all powers for itself and delegated authorities to management as set out in the Delegation of Authority Policy. Where a delegation is not specified in this policy, the Board retains the authority and approval to act must be sought from the Board.

The powers to direct and govern Opportunity lie with the full Board. 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, however, the full Board retains responsibility for the delegated power.

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.
 - 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 Directors' and Officers' 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 November Board meeting. A confidential performance assessment of individual Directors is also conducted by the Chair in conjunction with the Board evaluation process.

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

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 Appointments and Compensation Committee. The CFO maintains a register of Directors' expenses which will be made available to Directors on request.

STAKEHOLDER INTERESTS AND COMMUNICATION

Opportunity respects the rights of stakeholders, including members, donors, 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.

In addition to the distribution of the Annual Report to members, Opportunity utilises print and electronic communication facilities to provide more effective communication.

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.