

CEREBRAL PALSY ALLIANCE BOARD CHARTER

Board Approved – 22 November 2023



1. Overview

1.1 Background

Cerebral Palsy Alliance (**CPA**) is a public company limited by guarantee. CPA was founded in 1945 to support children with cerebral palsy. Since then, CPA has leveraged its expertise to support children and adults with cerebral palsy as well as people living with similar disabilities.

The Board of directors of CPA (**Board**) is the custodian of CPA for its members and its broader stakeholders, including people with cerebral palsy and similar disabilities and their families, CPA's many supporters and the community generally. The Board is responsible for the governance of CPA and is committed to five core values which guide its thinking and actions and which underpin all decision-making:

Passionate We are enthusiastic and make things happen together

Respectful We are compassionate, inclusive and put people first

Ethical We are professional, accountable and do what we say we will do

Curious We think differently and look for ways to make things better

Courageous We speak up and stand by what we believe in.

1.2 Governance framework

This Board Charter aims to assist the Board to deliver good governance to CPA. It clearly defines the respective roles, responsibilities and authorities of the Board (both individually and collectively) and management in setting the direction, the management and control of CPA. This Charter is subject to specific requirements in the Constitution of CPA (**Constitution**).

The Constitution sets out CPA's objective, which includes to provide relief to persons who experience poverty, sickness, disability, destitution, suffering, misfortune or helplessness as a result of cerebral palsy and similar disabilities, and their families, including by:

- a. providing and arranging access to a range of services and facilities to such persons;
- b. promoting the rights of and justice for such persons;
- c. raising awareness of the abilities and special needs of such persons;
- d. creating a positive image and profile for such persons;
- e. acquiring funds to facilitate the attainment of the object including without limitation, the recovery of moneys following persons who benefit from the Company's services realising their legal rights against any third parties responsible for their disabilities;
- f. funding and conducting research in respect of the causes and cures of cerebral palsy including in respect of improving early diagnosis, treatments and technology innovations both in Australia and internationally;

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- g. improving the health and wellbeing of such persons through the funding and development of innovative products and technology to be utilised by and assist such persons; and
- h. providing pre-vocational and vocational education, training and professional development both internally and to the external sector to assist such persons, as well as to assist such persons to enter into or continue in the workforce.

CPA is a registered charity regulated by the Australian Charities and Not for Profit Commission (**ACNC**). This Charter is based on the recommendations for board charters by the Australian Institute of Company Directors and the ACNC Governance Standards.

2. Defining governance roles

2.1 Board composition and eligibility

Appointment at AGM: The Board is appointed by members at the Annual General Meeting and by the Board (see further below) and according to the Constitution consists of a minimum of 5 and a maximum of 10 persons. At every Annual General Meeting, one-third of the member-appointed directors are required to retire and are eligible for re-election. The Chairperson will advise retiring directors in advance of the Annual General Meeting and seek their interest in being re-elected.

Eligibility: The Constitution sets out certain eligibility requirements for directors, which include that:

- all directors must be a member of CPA. The Constitution sets out the categories of members, which include:
 - **Member with a Disability:** a person who receives or has received services from CPA
 - **Support Member:** a parent, step-parent, legal guardian, relative, primary carer or guardian of any person who receives or has received services from CPA
 - **Honorary Life Member:** a person who, by resolution of the Board or by a resolution of Members, is appointed as an Honorary Life Member; and
 - **Invited Member:** a person who is invited to apply for membership because, in the opinion of the Board, he/she possesses the necessary skills, abilities and attributes to further the objectives of CPA
- no more than one half of directors can be an 'Invited Member'.

Appointment by Board: If at any time there are less than 10 directors, the Board can appoint a director, so long as the ratio of Invited Members does not exceed the one half of directors requirement. Any director appointed by the Board holds office until either the next Annual General Meeting or the Board meeting following the next Annual General Meeting for Invited Directors (Invited Members who are appointed as Directors given their relevant skills or experience which a majority of the Board considers to be beneficial to CPA). The Board may re-appoint an Invited Director for further terms of one year.

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Skills, experience and qualities: Directors must bring relevant skills, experience and personal qualities that add value to the work of the Board, including specific skills identified by the Board. The Board will develop a skills matrix, profiling the skills, personal attributes and experience required on the Board, having regard to needs and challenges of implementing CPA's strategic plan from time to time. The Board will review the Board's capability against the skills matrix annually.

The Board appoints annually from amongst its member elected directors office bearers, including a Chair and Deputy Chair as per the Constitution.

2.2 Members

Members of CPA are referred by the Secretary to the Board. Once approved by the Board and after payment of the annual subscription fee, the Secretary updates the register of members. The register of members is maintained by the Secretary and includes for each person who is a member:

- the names and postal or residential addresses
- any alternative address nominated by a member for service of notices (which may include an email address)
- the date on which they became a member, and
- the category of membership (in accordance with the Constitution).

2.3 Board structure – Committees

The Board determines which Committees are established to support its operations.

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. Every Board member is encouraged to participate in at least one Committee. Committees may contain persons outside the Board with appropriate skill, knowledge and expertise.

Each Committee has formal terms of reference that set out the purpose and responsibilities, authority, membership, meeting schedule and reporting process. These documents are approved by the Board and include any delegated powers of the Committee.

The current Committees of the Board are set out in **Schedule 1**. The Board may establish other Committees from time to time. Committees are reviewed annually to assess their performance, ongoing role and membership.

A copy of all Committee minutes will be provided to the Board at the next meeting for discussion and noting. The Committee decides on the matters to be raised with the Board for information, discussion or decision. The Chairperson of each Committee will report any material matters to the next Board meeting.

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2.4 Principal functions and responsibilities of the Board

The functions of the Board are to govern the management of CPA including:

- a. **Strategic direction:** the strategic direction of CPA, including setting CPA's long-term vision and goals (see further section 3.1 below)
- b. **Policy:** the development and monitoring of a policy framework for the effective operation of CPA and approving such key policies as the Board determines appropriate
- c. **Compliance and Risk Management:** overseeing and regularly reviewing systems of internal compliance, enterprise risk management and assurance and systems of legal compliance which govern the operations of CPA, and monitoring that they are operating effectively
- d. **Accountability:** to monitor the performance of CPA to ensure that it operates responsibly, effectively and efficiently
- e. **Resources:** to ensure CPA has the necessary resources, including human resources, to execute its strategies effectively
- f. **CEO:** the engagement, performance and dismissal of the Chief Executive Officer (**CEO**);
- g. **Executive succession:** oversee the development and monitoring of a succession plan for the CEO and the executive management team
- h. **Advocacy:** to represent CPA to the community, Government, and to its members and stakeholders
- i. **Board management:** to manage the process of Board recruitment, succession planning, evaluation and performance
- j. **Best practice:** to ensure that the activities, processes and conduct of the Board are best practice standard and comply with all legal, statutory and ethical requirements.

Responsibilities of individual Board members include:

- a. to act with reasonable care and diligence
- b. to act honestly and fairly in the best interest of CPA
- c. not to misuse their position or information gained as a Board member of CPA. This includes respecting the confidentiality of all matters, information, discussions and deliberations coming before them as Board members, avoiding conflicts of interest and immediately declaring any conflicts of interest that may arise (see **Schedule 2 Conflict of Interest Policy – Directors**)
- d. to ensure that the financial affairs of CPA are managed responsibly
- e. to ensure that CPA does not operate while it is insolvent
- f. to uphold the Board's policies and decisions, including the Code of Conduct

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- g. to uphold the Constitution of CPA, including that the directors not receive remuneration for their services as a director
- h. to commit the time necessary to discharge effectively his or her duties as a Board member, including preparing for and endeavouring to attend all Board meetings
- i. to ensure that they at all times remain qualified to manage a corporation (under the Corporations Act) and are not disqualified from being a board member for a registered charity by the ACNC Commissioner.

2.5 Role of the Chairperson

The role of the Chairperson is to lead the Board and to ensure the integrity of the Board's processes and actions. The Chairperson is responsible for:

- overseeing adequate processes to enable the Board to function properly including approving the Board meeting agenda, chairing Board meetings and facilitating all Board members making an informed and constructive contribution to the Board's deliberations
- ensuring that the performance of the Board is evaluated in an effective and timely way (including an annual review collectively as a Board and also individually with Board members), and
- ensuring that the performance of CPA is evaluated in an effective and timely way.

3. Key board functions

3.1 The Board and strategy

The Board is responsible for determining the strategic direction for CPA through:

- determining the future vision for CPA
- working with the management to develop a strategic plan for CPA at least every three years and endorsing that plan
- monitoring changes in the external environment that have a bearing on CPA's vision and identifying the implications for strategic directions.

3.2 The Board and management

The Board delegates to the CEO the day-to-day management of CPA, supported by the executive management team. This operational management role is undertaken within the strategic direction, policy framework and delegations of authority approved by the Board. Any matters or transactions outside the delegations of authority must be referred to the Board for decision.

The Board will ensure that the respective roles of the Board and CEO work together cohesively as a team with respect and candour.

The CEO is responsible for:

- the efficient and effective operation of CPA on a day-to-day basis (which includes the development of operational policies, which are accessible by all staff and Directors)

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- ensuring directors are provided with accurate and clear information in a timely manner to promote effective decision-making by the Board
- ensuring all material matters affecting CPA's operations are brought to the attention of the Board for its consideration and approval (as required).

3.3 Responsibilities of the Company Secretary

The Board may appoint one or more Company Secretaries. The Company Secretary is accountable to the Board, through the Chairperson, on all matters to do with the proper functioning of the Board and all governance matters.

The Company Secretary works in conjunction with the Chairperson to manage the smooth functioning of the Board by managing Board processes and ensuring Board meetings are properly held and called and appropriate records are maintained. In particular, the Company Secretary is responsible for maintaining appropriate records, registers and minute books.

3.4 Monitoring

The Board is responsible for monitoring and supervising CPA's performance and its control and accountability systems. This includes:

- monitoring progress against the strategic plan
- approving the annual budget for CPA and monitoring expenditure against the approved budget
- approving expenditure outside the approved budget and delegations of authority approved by the Board.

3.5 Risk management

The Board is responsible for setting the risk culture of the organisation and determining the risk appetite and tolerance for the activities of CPA. The Board promotes an enterprise risk management framework approach and communicates any changes to this framework through to the CEO for implementation throughout CPA.

To this end, the Board undertakes an annual review of the risk appetite statement, risk profile, internal audit and assurance program.

The Board is responsible for overseeing and regularly reviewing the enterprise risk management system and assurance program to identify, assess, manage and monitor material risk throughout CPA and ensures that:

- the CEO and executive managers take necessary steps to monitor and manage all material risks consistent with the strategic objectives, risk appetite statement and policies approved by the Board and
- sufficient resources are dedicated to risk and assurance activities.

The Board delegates oversight responsibility for certain items of risk to specific Board Committees, in accordance with the enterprise risk management framework. The Chairperson of each Board Committee escalates material changes to the current risk profile or any new or emerging risks to the Board.

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The Board appoints, evaluates and removes the external auditor and approves their annual audit fees.

3.6 Compliance

CPA is a charity registered with the ACNC. As such, CPA has the following obligations:

- to notify the ACNC of changes to CPA's details – including changes to CPA's members and CPA's rules
- to keep financial and operational records
- to report to the ACNC each year
- to comply with governance standards
- to oversee and regularly review written policies, codes and procedures governing compliance.

The Board recognises that CPA has a number of statutory reporting obligations, requirements and standards that need to be met. The Board has delegated these to the CEO, who provides updates to the Board.

3.7 Decision-making

The Board is responsible for promoting ethical and responsible decision-making. The Board aims to reach its decision by consensus. Where consensus cannot be reached a vote is held. Each director present at a meeting of the Board is entitled to one vote but, in the event of an equality of votes on any question, the person presiding may exercise a second or casting vote.

4. Improving board processes

4.1 Board meetings

The Board meets regularly, generally at least 8 times in each period of 12 months. A quorum for meetings of the Board is at least half the members of the Board.

While it is envisaged that these will be physical meetings of the Board, it is recognised that meetings may be convened electronically. The Board and its Committees may hold meetings at one or more venues using any technology (e.g. teleconferencing or videoconferencing) that gives all directors or the relevant Committee a reasonable opportunity to participate in the meeting.

An annual board calendar is prepared which sets out the schedule of meetings for the year and the key activities for the Board for the year.

Board members are asked to advise of any conflict of interest at the start of each Board meeting. Where a declared conflict of interest is in relation to a specific agenda item the Chairperson may ask the Board member(s) to leave the meeting while the item is being considered.

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4.2 Board meeting agenda

Board members can nominate items for inclusion on the Board agenda. Agenda items should be accompanied by a paper to provide the information necessary to support informed decision-making by the Board.

4.3 Board papers

Board papers are provided at least five calendar days in advance of each meeting. Board members are expected to make every reasonable effort to read the papers provided and to remain informed of the issues, information and policies that impact on CPA's strategic directions and activities.

Each paper for the Board is to include a cover sheet that sets out the background to the issue, a short analysis of the key points and the nature of the Board's consideration of the matter – for information, for discussion (including discussion questions) or for approval (including the proposed wording of the form of approval / resolution that is sought from the Board).

Presentations are to be provided in advance of the meeting and are intended to be short presentations at the Board meeting, with the balance of time on engagement and discussion with the Board.

4.4 'In Camera' session

The Chair may direct any or all of the members of management to leave a Board meeting in order that discussions may take place in camera. In the absence of the Company Secretary at such meeting, the Chair of the meeting is responsible for ensuring that decisions, important factors and action items arising are minuted appropriately. The Board will meet for in camera sessions regularly, scheduling at least four sessions each year.

5. Board effectiveness

5.1 Director selection

The Board will identify director candidates and assess the suitability of director nominees against the present and future skills and experience requirements of the Board in accordance with the skills and experience outlined in section 2.1 of this Charter. In addition, the Board will consider the diversity of the Board with respect to gender, age, ethnicity, socio-economic and cultural background and other similar factors.

All applicants will be considered on their merits and potential contribution to the Board.

Prospective directors are interviewed by a minimum of two existing directors, either individually or jointly, depending on the circumstances.

Directors are required to:

- behave in accordance with CPA's Code of Conduct;
- complete the Australian Institute of Company Directors (**AICD**) Company Directors Course (ideally within the first 6 months of joining the Board) and then undertake ongoing professional development as a director in accordance with the requirements of membership of the AICD;

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- consent to an ACIC National Federal Police Clearance, current Working With Children Check, the NDIS Worker Screening Check and any other requirements; and
- provide the Company Secretary their Director Identification Number obtained from Australian Business Registry Services.

5.2 Director induction

Directors will be engaged through a letter of appointment, setting out the details of the terms and conditions of appointment, expectations of directors, expenses, indemnity and directors and officers insurance, requirements in relation to disclosure of interests and confidentiality, and induction and director development arrangements.

The Board (and in particular the Chairperson and Deputy Chairperson), together with the CEO, are responsible for developing an induction program for new directors. The induction process includes:

- provision of information on CPA and the role of director, including Constitution, the Board Charter, relevant policies, relevant strategic documents, the current Board Committees including terms of reference and the budget for the financial year
- an opportunity to meet with the Chairperson for a briefing on the Board
- an opportunity to meet with the CEO for a briefing on CPA's operations and activities
- within the first 6 months, site visits, attendance at appropriate internal and external training and development courses, including the AICD Company Directors Course.

Directors are covered by directors and officers liability insurance. The current limit of liability is \$20 million in the aggregate and on any one claim including costs and expenses. CPA will ensure that directors and officers insurance and deeds of access and indemnity are in place and their currency is maintained.

5.3 Board evaluation

The Board will evaluate the quality and effectiveness of each meeting at the end of the meeting. The Board will review its overall effectiveness on an annual basis with a focus on:

- operations of the Board
- the role of the Chairperson
- the contributions of Board members
- impact on CPA's strategic directions and activities.

The Board will also undertake an external evaluation at least every three years.

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Schedule 1 - Board Committees

1. FINANCE & AUDIT COMMITTEE
2. SERVICES & MARKETING COMMITTEE
3. FUNDRAISING COMMITTEE
4. PEOPLE, CULTURE AND ORGANISATIONAL DEVELOPMENTS COMMITTEE
5. TECHNOLOGY COMMITTEE

The terms of reference for each Board Committee are maintained separately.

Schedule 2

Conflicts of Interest Policy – Directors

This constitutes a policy and set of guidelines in relation to directors' conflicts of interests, whether actual, potential or perceived.

1. Purpose

The purpose of this policy is to help directors of CPA to effectively identify, disclose and manage any actual, potential or perceived conflicts of interest in order to protect the integrity of CPA and manage risk.

2. Objective

To ensure that directors are aware of their obligation to disclose any conflicts of interest that they may have, and to comply with this policy to ensure they effectively manage those conflicts of interest as representatives of CPA.

3. Scope

This policy applies to the directors of CPA.

4. Definition of conflicts of interests

A conflict of interest occurs when a person's personal interests conflict with their responsibility to act in the best interests of CPA. Personal interests include direct interests, as well as those of family, friends, or other organisations a person may be involved with or have an interest in (for example, as a shareholder).

It also includes a conflict between a director's duty to CPA and another duty that the director has (for example, to another charity). A conflict of interest may be actual, potential or perceived and may be financial or non-financial.

These situations present the risk that a person will make a decision based on, or affected by, these influences, rather than in the best interests of CPA. Therefore these situations must be managed accordingly.

5. Policy

This policy has been developed to address directors' conflicts of interest affecting CPA.

Conflicts of interest are common, and they do not need to present a problem to CPA as long as they are openly and effectively managed.

It is the policy of CPA, as well as a responsibility of the Board, that ethical, legal, financial or other conflicts of interest be avoided and that any such conflicts (where they do arise) do not conflict with the obligations to CPA.

CPA will manage conflicts of interest by requiring directors to:

- avoid conflicts of interest where possible;
- identify and disclose any conflicts of interest;
- carefully manage any conflicts of interest; and
- follow this policy and respond to any breaches.

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5.1. Responsibility of the Board

The Board is responsible for:

- establishing a system for identifying, disclosing and managing conflicts of interest across CPA;
- monitoring compliance with this policy; and
- reviewing this policy on an annual basis to ensure that the policy is operating effectively.

CPA must ensure that its Board is aware of the ACNC governance standards, particularly Governance Standard 5, and that they disclose any actual, potential or perceived material conflicts of interests as required by Governance Standard 5.

5.2. Identification and disclosure of conflicts of interest

Once an actual, potential or perceived conflict of interest is identified, it must be entered into CPA's register of interests, as well as being raised with the Board.

Where every other director shares a conflict, the Board should refer to ACNC Governance Standard 5 to ensure that proper disclosure occurs.

The register of interests must be maintained by the Company Secretary. The register must record information related to a conflict of interest (including the nature and extent of the conflict of interest and any steps taken to address it).

6. Action required for management of conflicts of interest

6.1. Conflicts of interest of directors

Once the conflict of interest has been appropriately disclosed, the Board (excluding the director who has made the disclosure, as well as any other conflicted director) must decide whether or not those conflicted directors should:

- vote on the matter (this is a minimum);
- participate in any debate; or
- be present in the room during the debate and the voting.

In exceptional circumstances, such as where a conflict is very significant or likely to prevent a director from regularly participating in discussions, it may be worth the Board considering if it is appropriate for the person conflicted to resign from the Board.

6.2. What should be considered when deciding what action to take

In deciding what approach to take, the Board will consider:

- whether the conflict needs to be avoided or simply documented;
- whether the conflict will realistically impair the disclosing person's capacity to impartially participate in decision-making;
- alternative options to avoid the conflict;
- CPA's objects and resources; and
- the possibility of creating an appearance of improper conduct that might impair confidence in, or the reputation of, CPA.

The approval of any action requires the agreement of at least a majority of the Board (excluding any conflicted director) who are present and voting at the meeting. The action and result of the voting will be recorded in the minutes of the meeting and in the register of interests.

7. Compliance with this policy

If the Board has a reason to believe that a person subject to the policy has failed to comply with it, it will investigate the circumstances.

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If it is found that this person has failed to disclose a conflict of interest, the Board may take action against them. This may include seeking to terminate their relationship with CPA.

If a person suspects that a director has failed to disclose a conflict of interest, they must notify the Board.