

CHARTER FOR BOARDS OF DEAKIN UNIVERSITY CONTROLLED ENTITIES

RESPONSIBILITIES

A Board of a Deakin University controlled entity is responsible for ensuring that the entity has the following:

- appropriate strategic and operational planning processes
- an annual financial plan (budget)
- risk management and compliance processes that are consistent with the University's risk management and compliance programs
- appropriate and current policies dealing with the following:
 - code of conduct,
 - the remuneration of senior officers (where these positions exist as distinct from contracted personnel), and
 - insurance for directors and officers(An entity may choose to adopt appropriate University policies where those policies exist, or to develop its own.)
- adequate approval, reporting and review mechanisms and internal controls (operational and financial) that are consistent with University requirements.

A Board will also ensure that it reports to the Deakin University Council via the Finance and Business Affairs Committee in accordance with the *Reporting Requirements for Deakin University Controlled Entities*.

TERMS OF REFERENCE OR OBJECTS

A Board of a Deakin University controlled entity must have written terms of reference or objects that:

- address the matters outlined in the responsibilities section of this Charter
- are approved by the Board at its first meeting or as soon as possible thereafter, and then
- submitted to the Deakin University Council for final approval.

For an incorporated entity, these terms of reference or objects must be included in the entity's constitution.

A Board must operate in accordance with its terms of reference or objects.

Deakin University Council approval (on recommendation from the Finance and Business Affairs Committee) is required for any amendment to an entity's terms of reference or objects, or to its constitution in the case of incorporated entities.

COMPOSITION AND MEMBERSHIP

Deakin University will normally appoint at least a majority of Board members to a University controlled entity.

The composition of a Board of a University controlled entity must be in accordance with the following principles:

- the Board will be constituted so that the combined membership has the skills, knowledge and experience necessary to provide proper stewardship and control of the entity;
- wherever appropriate, the Board will include at least some independent¹ directors and, where possible, some directors who are not members of the Council or students of the University;
- wherever appropriate, the chairperson of the Board will be an independent director; and
- the roles of chairperson and chief executive officer will not be exercised by the same individual.

For an incorporated entity, the composition must be included in the entity's constitution.

TERMS OF OFFICE

Terms of office of Board members must be documented. For an incorporated entity, these must be included in the entity's constitution.

CONFLICTS OF INTEREST

Procedures for handling conflicts of interest at the Board level must be documented and operational.

CHAIRPERSON

The chairperson must preside at each meeting of the Board. In the absence of the chairperson at any meeting, the Board must appoint an interim chairperson for that meeting.

COMPANY SECRETARY

The Board must appoint a Company Secretary who is responsible for ensuring that Board procedures are followed and that all applicable laws are complied with. All directors must have access to the advice and services of the Company Secretary.

The University's Office of General Counsel normally provides a Company Secretary for a University controlled entity.

CONDUCT OF MEETINGS

Board meetings must be held with appropriate frequency, with appropriate and timely written agenda, papers and minutes produced.

INDUCTION AND TRAINING

Induction and training programs for directors must be documented and operational.

REVIEW OF PERFORMANCE AGAINST TERMS OF REFERENCE OR OBJECTS

A Board must review on an annual basis:

- its performance in relation to its terms of reference or objects; and
- its composition and terms of reference or objects and identify potential areas for change.

A report and recommendations arising from the review must be forwarded to the Deakin University Council via the Finance and Business Affairs Committee in March of each year in accordance with the *Reporting Requirements for Deakin University Controlled Entities*.

¹ The University adopts the following guidelines as to 'independence' for independent directors appointed by it to its controlled entities and to boards of commercial entities, drawn from the ASX Corporate Governance Council's *Corporate Governance Principles and Recommendations 3rd Edition*).

An independent director is a non-executive director who:

- (a) is not an employee of the University or a member of its Council, unless there has been a period on three years since ceasing that employment or membership;
- (b) has not within the three years preceding appointment as a director been a partner, director or senior employee of a provider of material professional services to the University or its wholly-owned subsidiaries;
- (c) has not within the three years preceding appointment as a director been in a material business relationship with the University or any of its wholly-owned subsidiaries;
- (d) is otherwise free of any interest, position, association or relationship that might influence, or reasonably be perceived to influence, in a material respect their capacity to bring an independent judgement to bear on issues before the board and to act in the best interests of the company and (where permitted by the Constitution of the company) the University.