Charter of Vision Australia Foundation

as Trustee for the Vision Australia Trust[[1]](#footnote-2)

**1. Purpose**

The Vision Australia Foundation (the **Foundation**) is the Trustee of the Vision Australia Trust (the **Trust**) and is responsible for managing and administering the Trust in accordance with the Vision Australia Trust Deed dated 8 May 2006 as amended from time to time (**Trust Deed**).

The Vision Australia Foundation’s Constitution and the Trust Deed are the key governance documents relating to the Board and its functions. This Board Charter explains and interprets some aspects of the Constitution and the Trust Deed. The Constitution and the Trust Deed prevail to the extent of any inconsistency between this Board Charter, the Constitution and the Trust Deed.

It also needs to be recognised that in acting as a trustee of a charitable trust, the Foundation is subject to the provisions of the Victorian Trustee Act and the general law of trusts as well as to regulation under the Australian Charities and Not-for-Profits Commission Act 2012 (Commonwealth). As a public company it is also subject to the Corporations Act 2001 and regulations.

**2. Role and Objectives**

The role of the Foundation is to act as trustee of the Trust in accordance with the Trust Deed. As such it must:

a. oversee the management of the assets of the Trust in keeping with the objects of the Trust and the powers set out in the Trust Deed.

b. monitor the composition and performance of the Trust’s investment portfolio including the performance of the investment managers managing the fund.

c. monitor the composition and performance of the Trust owned property assets including oversight of Vision Australia Limited’s (**VAL**) property services management and/or the performance of any property managers managing the property assets; and

d. distribute the Trust’s income (to VAL) or retain it (as per clause 5.2 of the Trust Deed).

**3. Functions and Responsibilities**

In practice, the Foundation’s key responsibilities and functions are to:

1. Establish delegations of authority for VAL Management to manage the operations of the Trust (Property and Investments Operations Management), in accordance with a Service Level Agreement (**Attachment 1**).
2. appoint an investment manager(s) and monitor their performance in accordance with the Trust’s investment policy attached to the Charter as **Attachment 2**.
3. appoint a property manager(s) and monitor their performance in accordance with the Trust’s property policy attached to this Charter as **Attachment 3**.
4. regularly review the investment and property policies having regard to investment outcomes and performance together with external circumstances (e.g. significant market movements) and the purposes of the Trust.
5. appoint the auditor of the Trust and the Foundation, upon recommendation from the VAL Audit Finance and Risk Committee.
6. examine and (if appropriate) accept the auditor’s annual report, upon recommendation from the VAL Audit Finance and Risk Committee.
7. assess the adequacy of the financial statements and reports prepared by the investment manager, property manager and VAL management.
8. ensure that the Trust’s financial reports comply with relevant accounting standards.
9. ensure the Foundation’s discharge of its responsibilities with respect to compliance with regulatory requirements.
10. monitor the investment and property asset portfolios’ compliance with the risk framework attached to this Charter as **Attachment 4**.
11. maintain oversight of material risks and satisfy itself that the investment manager, property manager and VAL Management have developed and implemented a sound system of risk management and internal control, reporting systems and compliance frameworks that are operating effectively; and
12. manage director recruitment, nomination, selection, and succession planning.

**5. Delegations**

Subject to law and the Foundation Board’s ultimate responsibility for ensuring that the Foundation manages and administers the Trust in accordance with the Trust Deed, the Foundation Board may delegate to a committee or a director authority to exercise any of its powers.

To assist in fulfilling its duties, the Foundation Board will refer certain matters to the Audit, Finance and Risk Committee (AFRC) of the VAL Board as outlined in the AFRC Charter. With the exception of certain limited delegations contained in the AFRC Charter, recommendations of the AFRC are to be referred to the Foundation Board for approval.

**6. Membership of the Foundation**

The Foundation is a company limited by guarantee. Its sole member is VAL.

**7. Membership of the Foundation Board**

1. Subject to this Charter, in accordance with the Foundation’s Constitution, directors may appoint any individual as a director either to fill a casual vacancy or as an addition to the existing directors provided that the total number of directors must not exceed the maximum number of directors allowed under the Constitution which is currently twelve directors.
2. The VAL Board Chair and VAL CEO must be directors of the Foundation Board but cannot be the Chair of the Foundation Board.
3. The VAL AFRC Chair must be a director of the Foundation Board.
4. The Foundation Board has determined that it should have at least four directors, recognising that the Constitution provides for a minimum of three directors.
5. The majority of directors on the Foundation Board must be VAL representatives (VAL Directors and/or VAL CEO).
6. The term of office and term limits for the Foundation Board Directors follow the same rules as outlined in in the Vision Australia Limited Constitution. The term of office for a Member Elected Director is for a period of three years. A person must not serve for longer than nine consecutive years unless:

#### the directors resolve (by special resolution of 75% or more) a director may nominate to become a Member Elected Director for a further term of up to three years (such period to be determined by the directors prior to nomination); or

#### a period of three years has passed since that director last held office, in which case that person may again nominate to become a Member Elected Director and the nine-year maximum term limit is reset.

### Clause 7f(i) and (ii) are subject to consultation with the Vision Australia Limited Board, given that VAL is the sole member of the Vision Australia Foundation.

1. The Chair of the Foundation Board:
	1. is appointed by the Foundation Board annually.
	2. may be an Independent non-Executive Director; and
	3. must be a member of the AFRC.

**8. Management Support for the Foundation Board**

1. The Chief Financial Officer of VAL (if not a director) has a standing invitation to attend meetings of the Foundation Board and provides reports as requested by the Foundation Board.
2. Secretariat Services for the Foundation Board are provided by the Board Secretary of VAL. Prior to each meeting, the Board Secretary will consult with the Foundation Chair regarding the agenda and papers required for the conduct of the Foundation Board’s business.
3. The VAL Board Secretary is responsible for the preparation of information to support the Foundation Board’s business and will ensure these papers are available to directors seven days in advance of each meeting.

**9. Independent Expert Advice**

The Foundation Board may at any time seek independent advice and may appoint and terminate advisors as required.

**10. Meeting and Procedural Matters**

* 1. The Foundation Board will meet at least four times a year, or more frequently as required. A Foundation Board calendar will be maintained by the VAL Board Secretary to ensure that all material areas of the Foundation Board’s responsibility are addressed in a timely way. The Foundation Board may in accordance with the Constitution of the Foundation conduct meetings without all directors being involved in the meetings in the physical presence of one another provided that all directors involved in the meeting are able to participate in the discussion via telephone or other electronic means.
	2. The quorum for the Foundation Board will be four directors, two of whom must by convention be VAL Directors and one of whom must by convention be an independent non-executive director. The Foundation Board recognises that the Constitution provides that the quorum is two Directors, or such other number as is determined by the Directors.
	3. Minutes of Foundation Board meetings will be prepared by the VAL Board Secretary or their nominee. Following review of the minutes by Foundation Board directors, and approval of the Foundation Board Chair, copies of these minutes will be made available to the VAL Board at the earliest practical opportunity.
	4. At the discretion of the Foundation Board Chair and directors of the Foundation Board, any matters deemed to be of major importance should be referred to the VAL Board for its attention.

**11. Conflict of Interest and Duty**

The Foundation has a duty to take reasonable steps to ensure that Foundation Board directors comply with their duties in relation to disclosure of interests and conflicts of interest and duty. The Foundation acknowledges that its reputation and brand will be protected best where the highest standards are applied to ensuring that all Foundation Board directors’ interests are disclosed and where a procedure is adopted to ensure that Foundation Board directors do not act when an actual or perceived conflict of interest or duty exists. Vision Australia Limited has agreed a policy for identifying and recording Foundation Board directors’ interests and for managing conflicts of interest and duty. Compliance with this policy at all times is considered to be best practice and in the best interests of Vision Australia Limited and the Foundation.

**12. Foundation Board Review**

1. Annually, the Foundation Board will review its Charter and policies and may if deemed necessary, approve amendments to the Charter and policies.
2. Annually, the Foundation Board will undertake an evaluation of its performance. The results of this review are to be reported to the VAL Board.
3. Annually, the Board will review the composition of the Foundation Board and will make such changes (if any) as are necessary to ensure the Foundation Board is able to fulfil its purpose.

**ATTACHMENT 1 – VAL/VAT Service Level Agreement**

**ATTACHMENT 2 – Investment Policy**

**ATTACHMENT 3 – Property Policy – subject to further development**

**ATTACHMENT 4 – Risk Framework – subject to further development**

1. The Vision Australia Foundation (VAF) is a company limited by guarantee that is named as the trustee of the Vision Australia Trust (VAT) in the VAT Trust Deed. VAT is a trust for charitable purposes and those purposes are defined by the Trust Deed in such a way that only Vision Australia Limited (VAL) can benefit from the Trust while VAL continues to operate.

The day-to-day control of the activities of VAF, including the appointment of VAF directors and the Chair of VAF is vested in VAF’s board of directors and is governed by the VAF Constitution. VAL is the sole member of VAF and as the sole member can also appoint and remove directors by way of a VAF company resolution. As outlined in advice from Maddocks dated 12 November 2015, “The control structure of VAF therefore suggests that the normal operations of the company (VAF) are left in the hands of the (VAF) board of directors, but with Vision Australia having what might be described as 'reserve powers' to intervene should it choose to do so.” [↑](#footnote-ref-2)