



BOARD CHARTER

1. INTRODUCTION

The Sax Institute (Institute) was established in 2002 to provide a bridge between researchers, policy makers and health services to maximise the value of health research and its application to policy and resource allocation in the health area.

The Board of the Institute applies sound governance principles to the conduct of the Board and throughout the organisation and its operations, reflecting the belief that sound governance enhances both the reputation of the Institute and its ability to achieve its objectives.

The Institute is principally accountable to its members and its funding partners. It is also accountable to its employees, other key stakeholders and to the community in general.

The Board Charter:

- Sets out the role and responsibilities of the Board and management.
- Provides the overall governance framework for the Institute.

2. ROLE OF THE BOARD

The Board of Directors exercises the powers vested in it by Corporations Law and the company Constitution.

The Board is directly responsible to Members and funding partners for the long term viability of the company and for its performance in undertaking its role.

The Board charts the direction and strategy of the Institute and monitors management performance in implementing its approved strategy. Its specific responsibilities include the following:

- 2.1 Setting the vision and strategic direction.
- 2.2 Approval of the Institute's operating plans and policies.
- 2.3 Monitoring key performance indicators to ensure the strategic and operating plans are being implemented effectively and within budget.
- 2.4 Establishing and maintaining an appropriate governance structure, including evaluating the Board's performance.
- 2.5 Selecting, appointing and assessing the performance of the Chief Executive Officer (CEO) and approving annual remuneration.

- 2.6 Ensuring that appropriate financial management is in place including approving the salary parameters for all staff and the approaches to delegations, expenditure and reporting.
- 2.7 Ensuring that significant risks to the company are identified, assessed and appropriately managed, including those relating to ethical conduct and compliance requirements.
- 2.8 Ensuring that the company maintains appropriate liaison with Members, government, funding partners and relevant professional associations and other bodies and stakeholders.

3. ROLE OF THE CHAIR

The Board elects the Chair who must not be a Director appointed by Ordinary Members, University Members or by the Department of Health, or be the CEO.

The responsibilities of the Chair are as follows:

- 3.1 Ensuring the Board provides leadership and vision to the organisation.
- 3.2 Agreeing the Board agenda for all its meetings.
- 3.3 Presiding over Board meetings and directing Board discussions to effectively use the time available to address the key issues facing the company.
- 3.4 Ensuring Board minutes properly reflect the Board's decisions.
- 3.5 Making certain that the Board has the necessary information to undertake effective decision making and action.
- 3.6 Developing an effective relationship with the CEO and being regularly informed of any material matters that could be of relevance to the Board and key stakeholders.
- 3.7 Guiding the development and ensuring the effectiveness of the Board and of individual Directors.
- 3.8 Representing the Board and the company, as appropriate, to its various stakeholders.

4. ROLE OF THE CHIEF EXECUTIVE OFFICER

The Board delegates responsibility for the day to day management of the company's activities to the CEO. The Chair is the Board's principal formal and ongoing contact with the CEO. However the CEO has unrestricted access to all Board members and all Board members have access to the CEO.

The following are the key responsibilities of the CEO:

- 4.1 Delivering on the vision and mission of the company through the development and implementation of the Board approved strategy, operating plan and policies.

- 4.2 Selecting and retaining senior management and implementing good people and culture policies and processes that create a positive work environment in which staff can realise their full potential.
- 4.3 Assisting the Board in developing, applying and monitoring key performance measures to assess the performance of the company.
- 4.4 Developing and maintaining relationships with Members, government funding parties and all other key stakeholders.
- 4.5 Ensuring that appropriate systems are in place with respect to management processes, delegations, financial management, risk management and intellectual property rights.
- 4.6 Building and promoting the public image of the company.

5. ROLE OF INDIVIDUAL DIRECTORS

Directors, in discharging their duties as directors will:

- 5.1 Act in good faith and honesty in the best interests of the company.
- 5.2 Make reasonable inquiries and assessments to ensure that the company is operating efficiently, effectively and legally towards achieving its goals.
- 5.3 Undertake diligent assessment of all proposals placed before the Board.

6. ROLE OF COMPANY SECRETARY

The Company Secretary is responsible for carrying out the administrative and legal requirements of the Board and company as follows:

- 6.1 Coordinating, organizing and attending meetings of the Board and ensuring that correct procedures are followed.
- 6.2 Meeting statutory reporting requirements in accordance with relevant legislation and agreements.
- 6.3 Working with the Chair and CEO to establish and deliver high standard governance arrangements.

7. BOARD COMPOSITION, SKILLS AND SIZE

The Institute's Constitution provides for a minimum of 9 and a maximum of 13 Directors.

The Directors are appointed by the following means:

- 7.1 Independent chair appointed by the Board.
- 7.2 Three university Members, one each nominated by the University of Sydney, University of New South Wales and the University of Newcastle.
- 7.3 Three ordinary Members, one each elected by research centre Members.

- 7.4 A nominee of the NSW Minister of Health.
- 7.5 The Chief Executive Officer.
- 7.6 Up to four other members appointed by the Board.

All Directors other than the CEO and the Health nominee are appointed for a term of three (3) years and are eligible for reappointment. The specific basis for retirement and reappointment are set out in the Constitution.

The Board shall ensure that collectively, it has the appropriate level and range of skills and experience required to properly carry out its role as well as the personal qualities needed to work as part of an effective team.

Upon appointment, Directors should be provided with induction information on the company, its strategy and its plans and policies.

8. AVOIDANCE OF CONFLICTS OF INTEREST OF DIRECTORS

Directors should seek to avoid any conflict of interest between their roles as Directors and any other interests that they may have. Where a Director becomes aware of a conflict or potential conflict, that Director shall formally declare the conflict and not participate in any deliberations on that matter at any Board meeting.

The Conflict of Interest Policy has been developed to provide guidance to Directors on what constitutes a conflict of interest and how it will be managed and monitored by the Institute. The policy is added to this Charter.

9. REVIEW OF BOARD PERFORMANCE

The Board shall, at appropriate intervals evaluate itself, covering such matters as the Board's performance, processes and interaction with management and the overall contribution of the Board to the performance of the company.

10. BOARD ACCESS TO THE COMPANY AND INDEPENDENT ADVICE

Directors should, unless specific arrangements have been agreed by the Board, interact with the company through the chair, the CEO and the secretary and not make any representations or commitments on behalf of the company.

The Board and its Directors have the right of access to independent professional advice for reasonable company related matters with specific instances subject to Board approval.

The Audit and Risk Committee has the right to seek independent advice without the approval of the Board.

11. DIRECTORS' INDEMNITY AND INSURANCE

The company's Constitution provides an indemnity to all Directors, the auditor and the secretary against any liability arising out of the execution of the duties of their office that is incurred by them except for a liability arising out of conduct involving willful breach of duty.

12. REMUNERATION AND EXPENSES OF DIRECTORS

Non executive Directors do not receive remuneration for their role as a director but are entitled to be reimbursed for reasonable expenses incurred in the undertaking of their role.

13. MEETINGS OF THE BOARD AND THEIR CONDUCT

A program of Board meetings will be determined each year for the coming year. Board papers will provide information on the activities of the company for the period in question and details on the financial position of the company, as well as reports of any Board subcommittees and proposals for consideration by the Board.

While all reasonable efforts will be made to achieve consensus on proposals submitted to the Board requiring a Board decision, in the event a vote is required the decision will be determined by a majority of the Board and in the event of an equality of vote the Chair has a second and casting vote. A Director shall not vote on a matter where the Director has an interest.

The quorum for a Board meeting is at least one half of the Directors or such greater number as agreed by the Board.

14. BOARD COMMITTEES

The Board may delegate any of its powers to Board Committees whose composition and terms of reference will be determined by the Board. The Committees must prepare written reports on all meetings held including an annual report, which will be provided to the Board.

15. REPORTING

Proceedings of all meetings of the Board and its Committees are minuted and signed by the Chair of the meeting. Minutes are circulated to members of the Board or the Committee and approved by the Board or Committee at the next meeting.

16. REVIEW AND PUBLICATION OF CHARTER

The Board will review this Charter annually to ensure that it remains consistent with the Board's objectives and responsibilities and with good governance practice. The current version of the Charter is available at www.saxinstitute.org.au

CONFLICT OF INTEREST POLICY

Company

The Sax Institute (Institute) was established in 2002 to provide a bridge between health research and policy. The Institute's objectives are to improve the access of policy makers to existing research; to generate new research for policy; to continually develop and test innovative mechanisms to increase the use of research evidence in policy.

Overview

This Conflict of Interest Policy has been developed to provide a framework for Directors to disclose actual, potential or perceived conflicts of interest. The policy provides guidance on what constitutes a conflict of interest and how it will be managed and monitored by the Institute.

Situations will arise as a consequence of the Board's composition where a Director may have a conflict of interest. This may particularly be the case where Directors are appointed as the nominee of Universities, Ordinary members or the Minister of Health where actual, potential or perceived conflict may arise between their duties as a Director of the Board to the Institute and competing interests with their Employer.

Conflict of Interest

A conflict of interest exists when a Board member has a personal interest or duty to another party that is in conflict with the interests of the Institute, such that the Director may be influenced by this personal interest or duty when making a decision for the Institute. This may be an actual, potential or perceived conflict of interest. There are three categories of interests which could result in a conflict of interest:

- Personal Interests e.g. personal and family relationships
- Financial Interests e.g. consultancies; acceptance of gifts or benefits
- External interests e.g. multiple roles such as affiliations with other non government organizations that have a relationship with the Institute; other Board Directorships and appointments e.g. Universities and their related entities and Government appointments

Purpose of the policy

The purpose of this policy is to manage conflict of interest where the professional and personal interests of Directors may influence the performance of their duties on behalf of the Institute. This policy implements the conflict of interest provisions of the Constitution, the Board Charter and the Corporations Law.

The Conflict of Interest policy applies to the Directors of the Board whilst exercising their function as a Director of the Institute.

How to manage a conflict of Interest

Directors are required to disclose actual, potential or perceived conflicts of interest.

This includes any personal or outside interest, relationship or responsibility (legal, financial, corporate, ethical or otherwise) held by the Director with respect to any potential or actual transaction, agreement or other matter which is or may be presented to the Board for

consideration, even if such interest relationship or responsibility has otherwise generally been disclosed to the Company or the Board.

The Company Secretary will respond to disclosures by:

- Recording in the minutes of the Board meeting a Director's disclosure of a conflict of interest relating to particular agenda items;
- Recording in the minutes of the next Board meeting a Director's conflict of interest disclosure made outside of Board meeting times;
- Keeping copies of declarations and standing declarations of conflicts of interest in a Conflict of Interest Register. The Conflict of Interest Register will record:
 - Names, affiliations and conflicting agenda items of Directors
 - Conflicts identified and actions taken
 - Any reports considered by the Board on conflicts of interest matters; and
 - Copies of written conflict of interest disclosures to the board

Section 8 of the Board Charter states that where a Director becomes aware of a conflict or potential conflict, that Director shall formally declare the conflict and not participate in any deliberations on that matter at any Board meeting.

However, a Director may be present (except in contract matters as specified by section 22.3¹ of the Constitution) and vote if the Director does not have a material personal interest in the matter, and the other Directors have passed a resolution that:

- identifies the Director
- specifies the nature and extent of the Director's interest in the matter
- its relation to the affairs of the Institute; and
- states that those Directors are satisfied that the interest should not disqualify the Director from being present or voting

If the Directors cannot unanimously agree that a Director does not have a material personal interest, final resolution rests with the Chairperson. The Chairperson will make a determination on the basis of the information provided to the Board that either the Director/s should be precluded from participating in the matter before the Board or a sub-committee of the Board is convened to deal with the conflict of interest matter.

¹ Director Not to Vote Where Interested

A member of the Board shall not vote in respect of any contract or proposed contract with the Company in which the member has an interest, or any matter arising thereout, and if the member does so vote the member's vote shall not be counted.