

Board of Directors Terms of Reference

March 2020

These Terms of Reference should be read in conjunction with the Governance Policy and the separate Terms of Reference for each Board Sub-Committee.

1 REPORTING STRUCTURE

The Board is the key governing body within FYA. All groups within FYA are accountable to the Board regarding their activities and performance.

2 RESPONSIBILITIES

Board

The Board of Directors of FYA is responsible for the overall direction and performance of the organisation. The Board's responsibilities include:

Oversee the strategy-setting, resource allocation and performance evaluation processes by:

- Input into, and endorsement of, an appropriate vision, mission, values and organisational culture;
- Developing FYA's strategic direction in conjunction with the CEO and ensuring it is consistent with the vision for the organisation;
- Approving the annual strategy, operational plans and budget including the level of disbursements to FYA's initiatives;
- Endorsement of fundamental changes which seek to alter the aim or content of programs;
- Appointment and remuneration of Chief Executive Officer (CEO) and monitoring performance of the CEO;
- Endorsement of the process for evaluating the performance of senior executives by the CEO;
- Evaluating FYA and CEO's performance against the strategic objectives and agreed targets each year;
- Approving levels of delegations and authorities within FYA, including authorities to enter into legal agreements;
- Building the profile of FYA and developing key relationships including supporting fundraising strategies; and
- Evaluate their own performance as a Board each year using appropriate evaluation mechanisms.

Oversee FYA's financial performance and risk compliance by:

- Approving the appointments of external auditors and fund managers recommended by the Audit and Risk Committee and Investment Committee respectively;
- Reviewing and approving the strategy for managing the corpus recommended by the Investment Committee;
- Approving FYA's audited annual accounts;
- Endorsing changes to the budget in excess of a 10% variation;

- Approving and monitoring progress of major capital expenditure, acquisitions and individual initiative granting of more than \$100,000; and
- Working with the CEO to develop and implement effective fundraising strategies.

Oversee FYA's fundraising by:

- Working with management to develop and implement effective fundraising strategies; and
- Supporting and participating in all fundraising strategies.

Oversee the governance of FYA by:

- Appointing appropriate people to the Board, Sub-Committee and CEO positions;
- Refining FYA's governance structures and processes as required;
- Annually reviewing, ratifying and reporting on systems of risk management and internal compliance and control, codes of conduct and legal compliance; and
- The Board may create or dissolve Sub-Committees as it thinks necessary to assist in the discharge of its duties, and appoint or remove people from those committees as it thinks appropriate.

Board Chair

The Board Chair is a leadership role and is responsible for the following:

- Taking a leading role in achieving FYA's vision and mission;
- Managing Board meetings to ensure that they function effectively, interact with management optimally and fulfil all their duties;
- Optimise the relationship between the Board and management. Reflect any concerns management has in regard to role of the Board and any concerns of the Board to the CEO;
- Ensure that Chair succession is planned as part of good governance;
- Annually ensure that the Board reviews governance that relates to its own structure, role and relationship to management;
- Facilitate the development of appropriate performance monitoring models for evaluating the performance of the Board, its committees and individual Directors;
- With the Appointments & Nominations Committee, be responsible for recruiting board members to maintain composition and diversity of skills/experience of Board and committees. Assist with succession planning for Board Chair, committees and CEO;
- In consultation with whole of Board, prepare an annual performance review of the CEO; and
- With the CEO, act as FYA spokesperson to the media, government and other organisations.

Board Positions

The Board may choose to appoint Directors to the roles of Deputy Chair and Treasurer.

- Deputy Chair will deputise for the Chair where required.
- Treasurer needs to have a sound knowledge of financial matters and should ensure that the Board is aware of and understands the group's financial situation and performance. The Treasurer is Chair of the Investment Committee and Finance Committee and is a member of the Audit and Risk Committee.
- Sub-Committee Chairs will abide by the Terms of Reference for their committee and regularly report back to the Board.

Management

The FYA management team is responsible for executing FYA's strategy and delivering the outcomes agreed with the Board. Management's responsibilities include:

- Preparation and implementation of a strategic plan and an annual business plan;
- Preparation of annual budget for approval by the Board;
- Preparation and implementation of financial sustainability model for three years, five years and longer term projections for approval by the Board;
- Reallocation of resources within the approved budget, provided there is no significant financial impact exceeding 10% variation or risk to financial sustainability;

- Expenditure in accordance with the Board approved delegations policy provided funds are available;
- Establishing and implementing a system for identifying, assessing, monitoring and managing material risk;
- Preparation of media and stakeholder communications strategy;
- Develop and implement effective fundraising strategies to support expanded program outcomes;
- Preparation of annual financial statements and annual report; and
- Report to the Board on delivery of outcomes agreed in the strategic plan.

In addition, in accordance with the Board approved delegations policy the CEO and Company Secretary are:

- Responsible for the permanent or temporary appointment, or termination, of any persons provided that funds are available and the expenditure has been included in the approved budget; and
- Determining, within accepted guidelines, the salary, terms and conditions and performance evaluation of persons employed.

3 BOARD COMPOSITION

The Board must be comprised of seven to twelve members with the attributes and experience outlined below. The Board will be made up of a Chair, a Treasurer, and up to ten other members including at least three Board members under 26 years of age at the time of appointment.

Within the membership of the Board there needs to be:

- an up-to-date understanding of the issues facing young people in Australia through their personal or professional involvement in youth-based organisations or initiatives;
- significant management experience and skills across the business, government and the community sectors; and
- diversity of gender, age, background and personal attributes alongside the appropriate skill set, experience and expertise.

Required attributes and experience

All Board members should have a:

- personal passion for supporting young people;
- genuine intention to work collaboratively with others on the Board; and
- willingness and ability to engage with external organisations.

Board members should have the ability to:

- Focus on the 'big picture' and develop high-level strategies;
- Interpret financial and accounting information; and
- Evaluate performance rigorously and challenge resource allocation.

Tenure

Each term is 2 years, commencing when first appointed by the members at an AGM.

All members join the Board in accordance with the Constitution.

Effective from June 2010, Board members may be re-elected to a maximum of two times, that is for a total period of not more than six years subject to their re-election to the Board under the usual processes.

In order to ensure continual opportunities to young people, Directors aged under 26 at the time of appointment may serve up to two terms, that is for a total period of not more than four years.

In accordance with FYA's constitution, a Director including a young Director will be permitted to hold office for a maximum continuous period which is one year longer than the maximum continuous period if the Board determines that such an extension of one further year would be in the best interest of the Company.

Members elected prior to June 2010, may be re-elected for a maximum of three times, that is for a total of not more than eight years, subject to their re-election to the Board under the usual processes.

The Board Chair is elected by the Board. They must be re-elected at the end of each term.

4 ORGANISATIONAL AND ADMINISTRATIVE PROCESSES

Meetings

The Board will meet five to six times per calendar year. Board meetings follow an annual schedule in order to maximise their effectiveness and to ensure members' time is used efficiently. Communications technologies will be utilised to effectively support Board member participation from around Australia.

As well as the usual business of the Board, meetings should have a specific topic for discussion, as outlined below:

- the annual accounts must be passed by 15 April each year.
- the AGM must be held by the 31st May each year.
- Board, committee and CEO performance should be discussed in June/July of each year.
- the strategy for the next year as well as the budget must be passed by December each year, and the meeting before that should outline a suggested approach, for presentation to the final meeting.

Administrative support

The Company Secretary provides the relevant documentation for Board meetings as well as the Annual General Meeting. They will ensure the Foundation is complying with its Constitution and the Corporations Act. This includes being present at meetings, and taking and disseminating the minutes.

Expected commitment from Board members

Board members are expected to participate actively in the governance of FYA.

5 PERFORMANCE EVALUATION

Board Key Performance Measures

The internal performance measures appropriate for the Board include:

- Percentage of performance targets attained or surpassed;
- Ability of FYA to attract co-funding;
- Ability to attract top talent to Board, Committee and senior management positions;
- Level of external relations participation;
- Level of satisfaction with organisational effectiveness and processes; and
- Level of commitment and contribution of Board members.

Board Chair Key Performance Measures

In addition to Board KPM's, performance measures specific to the Board Chair include:

- Ability to manage Board meetings effectively and interact with management optimally;
- Annual Board review of governance undertaken; and
- Performance monitoring models for evaluating the performance of the CEO, the Board, its committees and individual Directors annually agreed and implemented.

Evaluation process

The evaluation process includes:

- The evaluation of the Board and Board Chair will occur annually through a process agreed to by the Board and in line with best practice.
- An external consultant will be contracted to inform Board and Board Chair evaluation on a regular basis.
- Board evaluation will consist of an evaluation of the outcomes of the Board and Board Chair against agreed measures and be reported on to the whole Board annually.
- The Board will have an in camera session to discuss performance of the Board at the end of every meeting.

Authorised By	Date Authorised	Date of Effect	Review Date
Board of Directors	2 April 2020	2 April 2020	March 2022