

Board charter

Quality Education Nepal Incorporated

(hereinafter referred to as Quality Education Nepal Inc.)

Adopted by the Board on *4 April 2017*

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Board Charter

1 Purpose of the Board Charter

The Board of Quality Education Nepal Inc. has adopted this Board Charter to outline the manner in which its powers and responsibilities will be exercised and discharged by the Board members.

The Charter ensures compliance with the principles of good governance, the Australian Charities and Not-for-profits Commission (ACNC) Governance Standards and applicable laws.

This Charter includes an overview of:

- (a) the role and responsibilities of the Board;
- (b) the requirements and duties of Board members;
- (c) Board size and composition;
- (d) the relationship and interaction between the Board and management;
- (e) the authority delegated by the Board to management and Board Committees;
- (f) Board procedures; and
- (g) transparency and accountability.

The Board Charter and the charters adopted by the Board for its Committees have been prepared and adopted on the basis that strong corporate governance can add to the performance of Quality Education Nepal Inc. and engender the confidence of the community.

This Charter is to be reviewed by the Board as required and this is recommended annually.

This Charter is to be signed by each Board member and given to and signed by all new Board members.

2 Purpose and activities of Quality Education Nepal Inc.

2.1 Purpose

The primary role of the Board is to ensure Quality Education Nepal Inc. carries out its purposes as expressed in the Constitution, which are:

to support people in need in Nepal, in particular those of rural and remote communities, by, without limitation, supporting::

- community-run schools that improve the quality of education for Nepali children
- local health services that support rural communities in Nepal
- community projects and other initiatives that bring jobs and opportunities to Nepali villages

- international projects consistent with the above purpose, such as projects of Rotary International and its constituent entities including The Rotary Foundation and Rotary Australia World Community Service.

2.2 Not-for-profit

The Board must ensure the not-for-profit nature of Quality Education Nepal Inc. is maintained by not providing any profit, distribution or benefits to members or Board members other than in carrying out the purposes.

2.3 Activities

The main activities are:

- fund-raising to support the initiatives of the LEARN NGO in Nepal, directly and via Rotary sponsored projects.
- management support and mentoring for the LEARN NGO team.

2.4 Stakeholders

The key stakeholders are:

- members of the Association and other donors
- sponsoring Rotary clubs and districts
- Nepalese host Rotary clubs and districts.
- management and employees (full time and casual trainers) employed by QEN and/or LEARN.
- various Nepalese government agencies responsible for administration and regulation of the local education system.
- Australian ambassador and embassy staff in Nepal

3 Entity type, charity and Tax Status

3.1 ABN

The charity's name (and any trading names or DGR names) and ABN as listed on the Australian Business Register is Quality Education Nepal Incorporated (ABN 79 892 132 355).

3.2 Entity type

Quality Education Nepal Inc. is an *association* incorporated in the State of Victoria.

3.3 ACNC

Quality Education Nepal Inc. is on the ACNC register as a charity under the following sub-types:

- Advancing education
- Advancing social or public welfare
- Public benevolent institution.

3.4 ATO

Quality Education Nepal Inc. is endorsed by the ATO as: a registered Public Benevolent Institution (PBI) has been accepted. The particulars of the acceptance are as follows:

Income tax exemption, effective 1 January 2016

GST concessions, effective 1 January 2016

Endorsement under the PBI category of DGR, effective 1 January 2016

4 Board role and responsibilities

4.1 Board role

The role of the Board is to govern Quality Education Nepal Inc. in such a way that it is able to pursue its purposes successfully.

The Board is responsible for and has the authority to determine all matters relating to the policies, practices, administration and operations of the organisation. This includes ensuring good corporate governance, determining and approving strategies and providing guidance and oversight to senior management.

The Board will:

- (a) set strategies, plans and policies for Quality Education Nepal Inc. carrying out the purposes, including ensuring there are adequate resources;
- (b) monitor and evaluate performance or impact against the purposes, strategies and plans;
- (c) consider the viewpoints of the various stakeholders; and
- (d) implement effective risk management strategies.

4.2 Board key responsibilities

The responsibilities/functions of the Board are:

- (a) selecting and appointing a CEO and evaluating from time to time the CEO's performance;
- (b) ensuring there are adequate staff and resources;
- (c) ensuring Board members:
 - (1) are not disqualified from managing a corporation, within the meaning of the *Corporations Act 2001*; and

- (2) are not currently disqualified by the ACNC Commissioner nor have been disqualified by the ACNC Commissioner at any time during the preceding 12 months;

Board members who are under investigation and may be disqualified must resign when requested by the other Board members;

- (d) contributing to and approving development of strategy, including setting measurable goals;
- (e) approving operating budgets and sources of funding;
- (f) reviewing, ratifying and monitoring systems of risk management and internal control and ethical and legal compliance. This includes reviewing procedures to identify the main risks associated with Quality Education Nepal Inc.'s activities and the implementation of appropriate systems to manage these risks;
- (g) monitoring performance, impact and implementation of strategy and policy;
- (h) approving major capital expenditure, acquisitions and divestitures, and monitoring capital management;
- (i) monitoring and reviewing management processes aimed at ensuring the integrity of financial and other reporting;
- (j) developing and reviewing policies, processes and procedures which seek to ensure Quality Education Nepal Inc.'s is accountable to its members and other stakeholders.

4.3 Key documents

- (a) Rules of the Nepali Village Initiatives Association Inc. (adopted 29 Nov 2015).
- (b) Board policies as recorded in Board minutes.
- (c) Strategic plan after adoption by the Board.
- (d) Annual reports.
- (e) Agreements that the Board may enter into including MoU with LEARN.

4.4 Board sub-committees

Finance / Investment Sub-committee
Risk Management Committee

5 Commitment of Board members

Board members will:

- (a) use all reasonable endeavours to attend every Board meeting either in person or by phone;
- (b) maintain a strong commitment to the purposes of Quality Education Nepal Inc. and its not-for-profit character;
- (c) participate in any induction and Board programs and all training arranged for them;
- (d) be well informed on the activities of Quality Education Nepal Inc. and the issues affecting the activities;

- (e) be well informed on all matters to be discussed by the Board and participate in discussions and express their views at Board meetings;
- (f) be well informed on the finances and the financial management to ensure the Board is responsible and there are adequate resources for on-going operations;
- (g) be involved in at least one Committee;
- (h) adhere to all policies of Quality Education Nepal Inc.;
- (i) treat all Board meetings and Board discussions as confidential and not share Board papers or Board discussions outside of the Board, without the Board's permission;
- (j) if appointed as a representative, or if otherwise on the Board to represent an interest or stakeholder group, ensure that decisions are made in the interests of Quality Education Nepal Inc. as a whole and not only in the interests of the stakeholder group;
- (k) immediately declare a possible perceived or actual conflict of interest and follow the conflict of interest procedure and policy;
- (l) immediately notify the President and resign as and when requested by the Board, if they are likely to be or are:
 - (1) disqualified from managing a corporation, within the meaning of the *Corporations Act 2001*; or
 - (2) disqualified by the ACNC Commissioner.
- (m) immediately raise any concerns with the President or the Board on any matter, including any behaviours that may be inconsistent with the purposes of Quality Education Nepal Inc., this charter, any duties of the Board members or any policy;
- (n) always act in a manner which promotes the public reputation and integrity of Quality Education Nepal Inc..

6 Duties and Governance standards

Board members will:

- (a) exercise their powers and discharge their duties with the degree of care and diligence of a reasonable person in their position;
- (b) act in good faith, in the best interests of Quality Education Nepal Inc. and to further its purposes;
- (c) not misuse their position e.g. not use the position as Board member to gain an advantage for a Board member or someone else or to the detriment of Quality Education Nepal Inc.;
- (d) not misuse information obtained in the performance of being a Board member eg. only use this information to further the charity's purposes in its interests and not for the benefit of the Board member or someone else, nor for the detriment of Quality Education Nepal Inc.;
- (e) disclose perceived, potential and actual conflicts of interest in accordance with the policy and procedures and not vote or participate in Board discussions if requested not to;

- (f) **ensure** Quality Education Nepal Inc.'s financial affairs are managed responsibly by considering the systems and processes in place to ensure the finances are effectively applied for the purposes of Quality Education Nepal Inc.; and
- (g) not allow Quality Education Nepal Inc. to operate while insolvent. The Board members must adequately understand the finances and ensure there are sufficient resources to pay debts as and when they are due, and that the CEO is required to inform the Board if there is a risk or possibility of this occurring.

Board members have the right to seek independent professional advice, subject to the approval of the President.

Board members may rely on information, in good faith, when making decisions if:

- (a) the Board member makes an independent assessment of the information;
- (b) the information is given by:
 - (1) an employee that the Board member believes on reasonable grounds to be reliable and competent in relation to the matters concerned;
 - (2) a professional adviser or expert on matters the Board member believes on reasonable grounds to be within their competence;
 - (3) another Board member or committee in relation to matters within their authority or area of responsibility.

7 Compliance and Risk Management

The Board must ensure Quality Education Nepal Inc. operates in compliance with all relevant laws and identifies and manages risks to minimise the occurrence and effects of the risks.

The Board has:

- (a) a risk management committee and a risk management register;
- (b) a finance and audit committee and has its Honorary Accountant review financial risk systems annually.

The risk committee should identify all relevant laws (Federal, State and local) to ensure compliance and reflection in the risk management register.

The Board should have a communication policy to ensure effective and consistent communication to stakeholders as part of the risk management.

8 Decision Checklist

Board members will consider the attached decision checklist (Attachment 3) for material Board decisions.

9 Transparency and Accountability

9.1 Members

The members of Quality Education Nepal Inc. are individuals, families, or other entities who have made a donation of \$20 or more in any calendar year. Membership varies by time of year according to donations.

Accountability to members means:

- (a) transparency to members:
 - (1) on financial matters by providing annual accounts to members on the website;
 - (2) on activities by reporting on the activities on the website, in email newsletters and in the annual report;
 - (3) on Board composition and the nomination and election or appointment process to members by posting of relevant Board decisions to the website;
- (b) responsibility to members:
 - (1) members can ask questions of the Board by email or other direct contact and at any general meetings;
 - (2) discussions of performance will take place at all Annual General Meetings
 - (3) full members have one vote and the right to vote on changes to the Constitution and on election and removal of Board members;
 - (4) members can nominate Board members;
 - (5) members can request the Board to hold members' meetings and request resolutions to be put.

9.2 The public

The Board will ensure Quality Education Nepal Inc. makes available the following documents to the public on request, on the website and will lodge these with the ACNC for the ACNC public register:

- (a) purposes;
- (b) Constitution;
- (c) annual report;
- (d) annual financial statements; and
- (e) annual information statements.

10 Board Composition

10.1 Board composition and size

- (a) It is intended that the Board should comprise a minimum of three and maximum of twelve Board members and comprise members with a broad range of skills, expertise and experience from a diverse range of backgrounds.
- (b) The Board is cognisant of the need for diversity, including a balance of age and sexes
- (c) The Board should include a minimum of three members of Rotary International as required for registration of international projects with Rotary Australia World Community Service.
- (d) The Board, as a whole, should ideally have the following skills:
 - (1) experience or knowledge specific to the provision of aid in developing countries, in particular in the field of education;
 - (2) experience or knowledge in government funding, philanthropic funding and fundraising;
 - (3) experience on governance issues and practices;
 - (4) accounting or auditing skills;
 - (5) marketing, communications or media experience;
 - (6) strategic planning experience;
 - (7) legal experience in relevant fields; and
 - (8) knowledge of Rotary International and the way it operates, sufficient to allow access to Rotary funding
- (e) The Board will annually review the skills represented by the Board members and determine whether the composition and mix of those skills remain appropriate for Quality Education Nepal **Inc.**'s strategy, subject to the limits imposed by the Constitution.

10.2 Suitability of Board members

Board members must:

- (a) not be disqualified from acting as a director under the Corporations Act;
- (b) not be disqualified from acting as a responsible entity under the ACNC Act;
- (c) not have been convicted of fraud;
- (d) not have been bankrupt.

10.3 Selection and Appointment of Board members

- (a) Board members will be selected for their individual skills, experience and expertise which they can bring to the Board, and their suitability.
- (b) The Board will review the nomination of a potential Board member candidate.
- (c) Factors to be considered when reviewing a potential candidate include, without limitation:

- (1) the skills, experience, expertise and personal qualities that will best complement Board effectiveness;
- (2) the capability of the candidate to devote necessary time and commitment to the role;
- (3) potential conflicts of interest; and
- (4) the suitability requirements in this Board charter.

10.4 Retirement, term or re-appointment

- (a) Board members should review their appointment annually with the assistance of the Chair to ensure they are still adding value to the Board, and if so, offer themselves for re-election at the AGM
- (b) The Secretary will keep a schedule of appointments and re-appointments and at each AGM note the period of service of each Board member.

11 Board review

The Board will annually consider the following to ensure the role of the Board can be carried out:

- (a) the size and composition of the Board;
- (b) the Board succession plan;
- (c) the necessary and desirable competencies and skills of the Board members;
- (d) the number and type of sub-committees and their size and composition;
- (e) the appointment of Board members and consideration of candidates for appointment to the Board;
- (f) the performance evaluation of the Board, Board committees and individual Board members, and the development and implementation of plans for identifying, assessing and enhancing Board member competencies;
- (g) the suitability of Board members, including satisfying itself that the Board members:
 - (1) are not disqualified from managing a corporation, within the meaning of the *Corporations Act 2001*; and
 - (2) are not disqualified by the ACNC Commissioner nor have been disqualified by the ACNC Commissioner at any time during the preceding 12 months;
- (h) any amendments required to this Board Charter; and
- (i) any remuneration issues.

12 Role of President

- (a) The President leads Quality Education Nepal **Inc.** and is ultimately responsible and accountable to the Board for its operational management.

- (b) The Board will approve one of its members to be President.
- (c) The President together with the rest of the Board has responsibility for:
 - (1) developing strategic and business plans for approval by the Board;
 - (2) implementing strategic and business plans;
 - (3) being the public face and speaking for Quality Education Nepal Inc.;
 - (4) maintaining an effective organisational structure that clearly assigns responsibility and reporting relationships;
 - (5) developing and implementing appropriate risk management strategies;
- (d) The role of the President includes:
 - (1) setting the board meeting agendas;
 - (2) leading board meetings and ensuring the minutes correctly reflect the meetings;
 - (3) providing leadership and promoting cohesive, effective teamwork by the Board;
 - (4) ensuring the Board is meeting its functions, duties and responsibilities;
 - (5) ensuring proper Board delegations, reporting and monitoring systems;
 - (6) reviewing the composition and effective working of the Board;
- (e) When the President is unable to attend a Board meeting, then those Board members present will elect a Chair for that meeting amongst themselves.

13 Role of the Secretary

- (a) The Board will appoint at least one Secretary.
- (b) The Secretary is accountable to the Board.
- (c) The Secretary is responsible for carrying out the administrative functions of the Board, coordinating all Board business and assist in ensuring compliance.
- (d) The role of the Secretary includes:
 - (1) preparing, compiling and distributing agendas and Board papers;
 - (2) maintaining minutes of Board meetings and following-up on action items;
 - (3) ensuring the necessary paper-work and resolutions are effective for change in the composition of the Board, change to auditors and any changes required to be submitted to the members;
 - (4) maintaining member registers or other registers as required;
 - (5) communication with regulatory bodies and all statutory, financial and other necessary filing;
 - (6) ensuring compliance with legislation and reporting requirements, as applicable; and
 - (7) undertaking any other roles clearly delegated to the Secretary or required by the Board.

Attachment 1

Board Members' acknowledgment of Board Charter

I, Peter Hall, Board member of Quality Education Nepal **Inc.**, have read the Board Charter of Quality Education Nepal **Inc.**, adopted by the Board on *4 April 2017*.

I am aware that I am subject to the requirements and duties as a Board Member at law and those set out in the Board Charter. I will comply with these requirements and duties.

I will resign as a Board member of Quality Education Nepal Inc. if I:

- (a) have been disqualified from managing a corporation, within the meaning of the *Corporations Act 2001*; or
- (b) have been disqualified by the ACNC Commissioner
- (c) no longer satisfy the requirements for Board members as set out in Clause 10.2.

Signed by

sign here ►

print name

date

in the presence of

sign here ►

Witness

print name

date

Attachment 2

Conflict of interest – code of conduct

High standards

Quality Education Nepal Inc. wishes to adopt a high standard of conduct to ensure all perceived, actual and potential conflicts of interest are disclosed. This will avoid not only real conflicts of interest affecting the responsible decision making of the Board but also avoid any perception of conflicts of interest in relation to the decision making.

What is a conflict of interest for this policy?

A conflict of interest exists where loyalties of Board members are divided. If a Board member's interests or other duties may affect his or her decision making or may be seen to possibly affect his or her decision making as a Board member of the company, or may be affected by a decision of the company, then this interest is covered in this code of conduct.

Conflicts of interest cover any real or sensible conflicts the Board members may have with other duties owed, such as being a Board member or trustee of another company or trust, and conflicts with a personal interest, such as the interests of an associate or relative. For example, offering the services to the company of a business the Board member or family member is involved in.

Board members representing a stakeholder group, e.g. users of the services of the company or trust, must ensure that they are acting in the interests of the purposes of the company and not just in the interests of the stakeholder group.

The conflicting interest may arise as a result of the Board member's employment, consultancy or personal interests, often, but not limited to, financial investment.

A Board member can have a potential conflict of interest if any decision they make as a Board member may provide an improper gain or benefit to themselves or an associate.

Board members perform their functions subject to many influences and loyalties but this conflict of interest code of conduct applies to those types of interests and duties which have the possibility or the perception that they could influence the Board members when making judgements relating to the company.

The issue normally arises only in relation to pecuniary interest but it does extend to all influences, loyalties, interest or duties which may affect or be seen as likely to affect the Board member in his or her decision making for the company.

What must a director do?

(a) Disclosure

- (1) Board members must disclose to the Board, through the Secretary their employment, their connection to any stakeholder group and other Board memberships, as well as any actual potential or perceived conflict of interest.
- (2) The company secretary will keep a list of disclosures to be provided to any Board member on request and to new Board members for their information.
- (3) Board members must disclose any actual, potential or perceived conflicts of interest to the President prior to a Board meeting where the conflict

may be relevant or to the Board members at a Board meeting prior to discussions.

- (4) Board members must ensure any change in circumstances relevant to the disclosure of interest is advised to the President, Secretary or all Board members at a Board meeting considering a matter that gives rise to or may give rise to that Board member having an actual, potential or perceived conflict of interest.
- (5) If the Board member wishes to keep the matter giving rise to the possible conflict confidential, he or she may just advise Board members that he or she has a conflict with the matter under discussion and that the protocol will apply.

(b) Protocol

If there is a conflict of interest, or the Board members or President have decided there is sufficient potential for a perceived or actual material conflict to arise so as to apply the protocol, then the Board member:

- (1) will not receive the papers on the matter, but will be advised that certain papers have been excluded;
- (2) cannot be present (by phone or in person) when the matter is considered unless permitted by law and the other Board members resolve that the Board member in question can stay; and
- (3) cannot vote on the matter.

(c) Open discussion

- (1) When any matter is being discussed at Board level, any Board member may query another Board member as to whether they consider they have a possible conflict of interest with the matter under discussion.
- (2) This matter should then be discussed and considered by the Board and if the Board (other than the Board member who is being queried) considers that there may be a possibility of a perceived or actual material conflict of interest, then disclosure must be made and the protocol must apply.
- (3) If a Board member is uncertain as to whether he or she has or may have a perceived or actual material conflict of interest, he or she must disclose this at the Board meeting discussing the matter or with the President.

(d) Records

Any discussions, disclosures, resolutions and the application of the protocol relating to a conflict of interest should be recorded in the Board member's minutes.

(e) Confidentiality

- (1) Board members must remember that board papers and matters discussed at board meetings are confidential as each Board member has a duty to maintain the confidentiality of information he or she learns by virtue of his or her position as Board member.
- (2) If there is a need or desire by a Board member to disclose or report on resolutions or matters discussed at board meetings, or information gained as a result of the being a Board member, to third parties, then the disclosure or reporting can only be made with the consent of the Board members at the meeting or by the President.

(f) President's role

- (1) The President will be available to discuss with any Board member the application of this procedure to particular circumstances and provide guidance as to whether he or she should be making a disclosure or whether the protocol should apply.

The President shall also seek to remind the Board members from time to time of their obligations and commitments under this policy and this policy will be given to any new Board members.

Attachment 3

Decision checklist

| | |
|--------------------------|--|
| <input type="checkbox"/> | Is the proposal in furtherance of the charity's purposes, or incidental or minor to the charity's purposes, and is the reason for the proposal for a proper purpose? |
| <input type="checkbox"/> | Do you or any other Board members have a conflict of interest or perceived conflict of interest related to the proposal? |
| <input type="checkbox"/> | Does the proposal comply with the Constitution and the not-for-profit nature? and tax status? |
| <input type="checkbox"/> | Does the proposal comply with the tax status? |
| <input type="checkbox"/> | Is the proposal consistent with the strategic plan and within budget? |
| <input type="checkbox"/> | Does the Board have authority to make the decision or should it be referred to the members? |
| <input type="checkbox"/> | Does the decision comply with applicable laws, e.g. fund raising, local government approvals, copyright, privacy, OH&S, etc.? |
| <input type="checkbox"/> | Are the risks adequately identified and considered, e.g. financial, reputational, personal injury, property damage? |
| <input type="checkbox"/> | Have you considered the effect on all the stakeholders e.g. clients, funders, donors, local community, members, employees, volunteers, public? |
| <input type="checkbox"/> | Is the proposal in the best interests of the charity as a whole, i.e. you are not favouring any one group of stakeholders over another? |
| <input type="checkbox"/> | If there is a chance things could go wrong, is there a plan to reduce the effects of things going wrong? |
| <input type="checkbox"/> | Does the Board need to amend or develop any budgets or policies with respect to the proposal? |
| <input type="checkbox"/> | Is there a plan to communicate the outcome of this proposal to any stakeholders (members, government agencies, communities, media. etc.)? |
| <input type="checkbox"/> | Does the proposal contain a system for monitoring how the decision will be actioned and/or the impact of the decision? |
| <input type="checkbox"/> | If the proposal is controversial, do you have more than one source of information and/or a source of independent advice? |
| <input type="checkbox"/> | Are you satisfied that you have been fully informed on the topic? |
| <input type="checkbox"/> | Would your common sense lead you to accept or reject this proposal? |
| <input type="checkbox"/> | Is the proposal consistent with the Rotary Four-Way test: Is it the TRUTH? Is it FAIR to all concerned? Will it build GOODWILL and BETTER FRIENDSHIPS? Will it be BENEFICIAL to all concerned? |