

MUSICA VIVA BOARD CHARTER
Adopted at Board meeting 21.05.16

Musica Viva Australia

ABN 95 504 497 655

Board Charter

1. Introduction

Purpose and scope

- 1.1 This Board Charter sets out the principles for the operation of the board of directors (**Board**) of Musica Viva Australia (**Company**) and describes the role, responsibilities, structure and other functions of the Board.
 - 1.2 The Board is responsible for the governance of the Company. The Board recognises that corporate governance is fundamental to the effective operation of the Company and that the Board is the pivotal element of corporate governance as it strives to be an effective and independent representative of the Company's members (**Members Council**) and other stakeholders and provide value to the Company.
-

2. Role and responsibilities of the Board

Role

- 2.1 The role of the Board is to provide overall strategic and policy guidance, financial and risk management and controls for the Company through effective oversight of management.
- 2.2 The Board ensures that the activities of the Company comply with its Constitution, from which it derives its authority to act, and with legal and regulatory requirements. To achieve this role, the Board has reserved to itself the following specific responsibilities.

Responsibilities

- 2.3 The Board is responsible for:
 - (a) providing leadership and setting the strategic objectives of the Company;
 - (b) appointing the Chair;
 - (c) appointing other office bearers as deemed appropriate;
 - (d) appointing and when necessary replacing the Chief Executive Officer (**CEO**) and the Artistic Director (**AD**) of the Company;
 - (e) overseeing management's implementation of the Company's strategic objectives and its performance generally;
 - (f) through the Chair, overseeing the role of the Company Secretary;
 - (g) overseeing the integrity of the Company's accounting and corporate reporting systems, including the external audit;
 - (h) ensuring the Company has in place an appropriate risk management framework and setting the risk appetite within which the Board expects management to operate;
 - (i) approving the Company's remuneration framework;

MUSICA VIVA BOARD CHARTER
Adopted at Board meeting 21.05.16

- (j) reviewing the performance and effectiveness of the Company's governance practices policies and procedures;
- (k) evaluating, approving and monitoring operating budgets;
- (l) adhering to the Board's Code of Conduct.

Performance evaluation

- 2.4 At least once every three years the Board will, with the assistance and advice of the Nominating Committee, review and evaluate the performance of the Board against this Charter, agreed goals and objectives and the Board's Code of Conduct.
- 2.5 Following each review and evaluation, the Board will consider how to improve its performance and implement such changes as required.

3. Structure of the Board and directors' responsibilities

Board composition

- 3.1 The Board, with the recommendation of the Nominating Committee, determines the size and composition of the Board, subject to the Company's Constitution, which provides that there can be no fewer than three and no more than eight directors, with no more than 50% of the directors having their primary place of residence in any one State or Territory in Australia. In addition, the Board should aim to have directors with primary places of residence in at least three different States or Territories of Australia.
- 3.2 The number of directors and the composition of the Board must at all times be appropriate for the Company to achieve efficient decision making and adequately discharge its responsibilities and duties.
- 3.3 It is intended that the Board should be comprised of persons with a broad range of skills, expertise and experience from a diverse range of backgrounds. In order to identify any gaps in the collective skills of the Board, the Board should, with the assistance and advice of the Nominating Committee, establish a skills matrix setting out the mix of skills and diversity the Board has or is looking to achieve, and review both the Board composition and skills matrix from time to time to ensure the right balance of skills, expertise and experience is maintained.
- 3.4 To be eligible to become a director, a person must:
 - (a) be a member of the Company and therefore meet the eligibility requirements for members in the Company's Constitution; and
 - (b) demonstrate the requisite skills as identified by the Nominating Committee with reference to the skills matrix, as discussed in clause 3.3 of this Charter.

Appointment, election and tenure of directors

- 3.5 In accordance with the Company's Constitution, a director holds office:
 - (a) in the case of a director appointed to fill a casual vacancy, until the next annual general meeting of the Company (**AGM**) after the appointment; and

MUSICA VIVA BOARD CHARTER
Adopted at Board meeting 21.05.16

- (b) in the case of a director elected at an AGM, until the end of the third AGM after the AGM at which they were elected.
- 3.6 A director who retires at an AGM, or whose term will expire at the end of an AGM, may nominate for election or re-election, provided that [unless otherwise agreed by all of the directors]:
- (a) a director (other than the Chair) may not hold office for more than three consecutive terms (commencing from their first elected term); and
 - (b) the Chair may not hold office for more than five consecutive terms (commencing from their first elected term as a director, whether or not they were the Chair at that time).
- 3.7 If a vacancy on the Board arises, or will arise at the next AGM, the Nominating Committee must identify candidates with appropriate skills, expertise and experience and recommend to the Board those candidates with the skills, expertise and experience that best complement the Board's effectiveness. When the Board considers that a suitable candidate has been found, the Board may appoint that person to fill the vacancy or recommend to members at the next AGM that the person be elected (as applicable).
- 3.8 Before each AGM, the Nominating Committee will assess the performance of any director standing for re-election and provide their advice and recommendation to the Board, and the Board will determine their recommendation to members on the re-election of the director (in the absence of the director involved).

Directors' responsibilities

- 3.9 Directors are expected to at all times act in accordance with legal and statutory requirements, and discharge all their duties as directors under legislation and common law (judge-made law), and as described in governance standard 5 of the regulations made under the *Australian Charities and Not-for-profits Commission Act 2012 (Cth)* (**ACNC Act**) which are:
- (a) to exercise their powers and discharge their duties with the degree of care and diligence that a reasonable individual would exercise if they were a director of the Company;
 - (b) to act in good faith in the best interests of the Company and to further the charitable purposes of the Company set out in the Company's Constitution;
 - (c) not to misuse their position as a director;
 - (d) not to misuse information they gain in their role as a director;
 - (e) to disclose any perceived or actual conflicts of interest in accordance with the *Corporations Act 2001 (Cth)* and this Charter;
 - (f) to ensure that the financial affairs of the Company are managed responsibly; and
 - (g) not to allow the Company to operate while it is insolvent.
- 3.10 All directors should bring an independent judgement to bear on all Board decisions.

MUSICA VIVA BOARD CHARTER
Adopted at Board meeting 21.05.16

Chair

- 3.11 The Chair of the Company (**Chair**) from time to time will be selected on the basis of relevant skills, expertise, experience, judgement and leadership abilities to contribute to the Board's effectiveness.
- 3.12 The Chair is responsible for:
- (a) leading the Board in reviewing and discussing Board matters;
 - (b) chairing Board meetings and Members Council meetings, including setting the agenda for Board meetings (in consultation with the other directors and the Company Secretary) and ensuring that adequate time is available for discussion of all agenda items;
 - (c) ensuring the efficient organisation and conduct of the Board's function;
 - (d) briefing all directors in relation to issues arising at Board meetings;
 - (e) facilitating effective contribution by all directors and monitoring Board performance;
 - (f) promoting constructive and respectful relations between Board members and between the Board and management;
 - (g) overseeing the role of the Company Secretary, including reviewing corporate governance matters with the Company Secretary and reporting on those matters to the Board; and
 - (h) on the advice of the Nominating Committee, establishing and overseeing the implementation of policies and systems for Board performance review and renewal.

Company Secretary

- 3.13 The Company Secretary acts as secretary of the Board, attending all meetings of the Board as required. The Company Secretary is accountable directly to the Board, through the Chair, on all matters to do with the proper functioning of the Board.
- 3.14 The Company Secretary is responsible for:
- (a) advising the Board and its committees on governance matters;
 - (b) monitoring that Board and committee policies and procedures are followed;
 - (c) coordinating the timely completion and despatch of Board and committee papers; and
 - (d) ensuring that the business at Board and committee meetings is accurately captured in the minutes.

4. Delegation

Board committees

- 4.1 The Board may establish committees from time to time to consider, and report and make recommendations on, matters of special importance.

MUSICA VIVA BOARD CHARTER
Adopted at Board meeting 21.05.16

- 4.2 As noted in Clause 44.1 of the Company's Constitution, although the Board may delegate powers and responsibilities to these committees, the Board retains ultimate accountability for discharging its duties.

Nominating Committee

- 4.3 The Board has established a Nominating Committee to assist in the execution of its duties and responsibilities. The primary purpose of the Nominating Committee is to ensure:
- (e) the Members Council is comprised of individuals or organisations that support the purposes of the Company and demonstrate a significant current or potential commitment to the Company and its objectives;
 - (f) the Members Council represents a variety of stakeholders including audiences, musicians, educators and sponsors; and
 - (g) the Board is comprised of individuals who are best able to discharge their responsibilities as directors, having regard to the law and highest standards of governance.
- 4.4 The composition, role and responsibilities of the Nominating Committee are detailed in the Nominating Committee Charter, an Appendix to this Charter.

CEO

- 4.5 The Board has delegated to the CEO the authority to manage the day to day affairs of the Company other than those responsibilities reserved to itself in this Charter as per Clause 44.1 of the Company's Constitution.
- 4.6 The CEO is responsible for implementing strategic objectives, plans and budgets approved by the Board in accordance with the directions of the Board and for keeping the Board informed of all activities of the Company.
- 4.7 The Board may impose further specific limits on the CEO delegations. These delegations of authority will be maintained by the Company Secretary and will be reviewed by the Board from time to time.
- 4.8 The CEO has authority to sub-delegate to senior management.

Relationship with management

- 4.9 The Board may delegate its powers as it considers appropriate, including to management of the Company as stated in Clause 44.1 of the Company's Constitution. However, ultimate responsibility for strategy and control rests with the directors.
- 4.10 Management are ultimately accountable to the Board.
- 4.11 Management must supply the Board with information in a form, timeframe and quality as nominated by the Board that will enable the Board to discharge its duties effectively. Directors are entitled to request additional information at any time when they consider it appropriate.

MUSICA VIVA BOARD CHARTER
Adopted at Board meeting 21.05.16

- 4.12 The Directors have complete and open access to management following consultation with and approval from the Chair and CEO.

5. Board meetings

- 5.1 All Board meetings will be conducted in accordance with the Company's Constitution, the *Corporations Act 2001* (Cth) and the ACNC Act.
- 5.2 Directors are committed to collective decision making, but have a duty to question and raise any issues of concern to them. Matters are to be debated openly and constructively amongst the directors. Individual directors must utilise their particular skills, experience and knowledge when discussing matters at Board meetings.
- 5.3 Directors must keep Board discussions and resolutions confidential, except where they are required to be disclosed.
- 5.4 A meeting of the Board will usually be convened by the Chair, although under the Company's Constitution a meeting may be called by any director.
- 5.5 All directors are expected to diligently prepare for, attend and participate in all Board meetings.
- 5.6 At a minimum, a quorum of directors under the Company's Constitution is 50% of directors (rounded [down] to the nearest whole director). Meetings of the Board may be held or participated in by conference call or other technology as permitted by the Company's Constitution. Resolutions of the Board may be passed by circular resolution in accordance with the Company's Constitution.
- 5.7 The Board should assess the information that it receives and the timing of its distribution to ensure the Board has sufficient time to examine the material provided to it for approval.
- 5.8 The Board may request or invite management or external consultants to attend Board meetings, where necessary or desirable.

6. Members

- 6.1 **Rights:** A member of the Company (other than an Honorary Life Member) has the right to:
- (a) vote, as outlined in the Company's Constitution, including in relation to the election of directors and any amendments to the Company's Constitution; and
 - (b) attend Members Council meetings.
- 6.2 **Meetings:** The Company shall arrange meetings of the Members Council from time to time, including at least an annual general meeting as outlined in the Constitution.
- 6.3 The costs of catering, entertainment, equipment and other such costs involved in holding a Members Council meeting are to be met by the Company. Members are expected to meet the costs of attending such meetings, but may request financial assistance from the Company to do so. The terms and granting for such financial assistance is to be determined by the Board.

MUSICA VIVA BOARD CHARTER
Adopted at Board meeting 21.05.16

- 6.4 **President:** The Members Council will elect one of the members to serve as President to:
- (a) preside over Members Council meetings;
 - (b) liaise between the Board and members; and
 - (c) attend to matters arising outside of meetings as required.
-

7. Remuneration

- 7.1 In accordance with the Company's Constitution, the Company must not pay fees to a director for acting as a director. Any fees paid to a director for work done for the Company, other than as a director, must be paid in accordance with the Company's Constitution, the *Corporations Act 2001* (Cth) and the ACNC Act.
-

8. Confidential information and external communication

- 8.1 The Board has established the following principles to apply in respect of information of the Company:
- (a) all Directors are required to keep confidential all information provided to them in their capacity as a director and must not disclose or improperly use such information; and
 - (b) generally, the Chair, the CEO or the Artistic Director will speak for the Company, unless the Board has agreed other spokespersons. Individual Board members are expected not to communicate on behalf of the Board or the Company without prior consultation with the Chair.
-

9. Conflicts of interest

- 9.1 The directors of the Company are required to act in a manner which is consistent with the best interests of the Company as a whole, free of any actual or possible conflicts of interest.
- 9.2 If a director considers that they might be in a position where there is, or may be perceived to be, a reasonable possibility of conflict between their personal or business interests, the interests of any associated person, or their duties to any other company and the interests of the Company or their duties to the Company, the Board requires that the director:
- a) fully and frankly informs the Board about the circumstances giving rise to the conflict; and
 - b) unless the Board otherwise determines, abstains from voting on any motion relating to the matter and absents themselves from all Board deliberations relating to the matter, including receipt of board papers bearing on the matter.
- 9.3 If a director believes that they may have a conflict of interest or duty in relation to a particular matter, the director should immediately consult with the Chair (or, in the case of the Chair, the Chair should immediately consult with the other directors).

10. Independent advice

- 10.1 Following consultation with the Chair (or in the case of the Chair, the Board), directors may seek independent professional advice at the Company's expense. Generally, this advice will be available to all directors.
-

11. Revisions of Board Charter

- 11.1 The Board is responsible for reviewing the effectiveness of this Charter to determine its appropriateness to the needs of the Company from time to time and approving any amendments to this Charter.

Last updated: 29 April 2016