



# Governance Manual

The SGLMG Board and its committees will make every effort to separate the roles of governance and management and maintain a focus on strategic issues and policy matters rather than on day-to-day administration.

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## Legislation

- Corporations Act 2001 (Cth)
- Australian Charities and Not-for-Profits Commission Act 2012 (Cth)

## Reference Documents

- SGLMG Constitution
- SGLMG policies
- ACNC Governance for Good  
[http://www.acnc.gov.au/acnc/manage/tools/acnc/edu/tools/GFG/GFG\\_Intro.a\\_spx](http://www.acnc.gov.au/acnc/manage/tools/acnc/edu/tools/GFG/GFG_Intro.a_spx)

Policies in this document were current at time of distribution. Individuals must ensure they are referring to the most current policy when referring to this manual.

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## Purpose

This Board Governance Manual “the manual” sets out the functions, duties and responsibilities of the Sydney Gay and Lesbian Mardi Gras and Mardi Gras Arts Boards (which in practice is one and referred to as the Board from hereon), and those delegated to management to ensure that both Board and management can operate effectively in addition to facilitating sound governance, compliance and accountability. This manual will assist and support directors and committee members in fulfilling their roles and guide and support effective corporate governance.

## Legal Governing Structure

Sydney Gay & Lesbian Mardi Gras Limited and Mardi Gras Arts Limited are registered not-for-profit charities and public companies limited by guarantee. They are a registered charity with the Australian Charities and Not-for-profits Commission (ACNC) and registered as a public company with the Australian Securities and Investment Commission (ASIC). The regulator is the ACNC, a delegation from ASIC.

Mardi Gras’ legal framework incorporates common and statute law as well as the rules defined in the constitution. Directors have a duty to ensure practices and behaviours comply with these rules. As a charity, it is incumbent on the Board to ensure all decisions further or support the stated charitable purpose. MGA Ltd has DGR status conferred by the Australian Tax Office. A charity with DGR status must meet certain rules and directors have a duty to ensure these rules are being met.

The composition and mandate of the Board are defined by its constitution. As per a 2004 amendment to the constitution, the Board consists of a maximum of eight non-executive directors. The CEO is in attendance at each meeting but holds no voting power. Other senior managers may also be in attendance. The Board is supported by two standing sub-committees, Audit and Risk and People and Nominations Committees. Other committees may be formed on an as needs basis.

## Corporate governance

The Board is committed to good corporate governance and is guided by best practise from agencies such as Australian Charities for Not-for- profits Commission, Australian Institute of Company Directors and Governance Institute Australia.

The Board’s governance framework comprises the ACNC Act 2012, the Corporations Act 2001, ACNC Governance Standards, the constitutions, as well as the Board Charter, Committee Charters, Code of Conduct, Delegations of Authority, Conflict of Interest and Related Party Transactions policies, Strategic plan, risk management plan and Annual report.

As a governing body the Board will:

- Focus on the strategic implications and required outcomes of programs and services rather than on their management.
- Maintain an emphasis on the policy implications of all matters coming before it.
- Maintain a commitment to excellence in all matters coming before it.
- Adhere to the Code of Conduct demonstrating a code of behaviour that is binding on all members. The code includes:
  - Loyalty to the Board and SGLMG’s policies and principles
  - Commitment to attend Board and Committee meetings
  - Acceptance of accountability for all SGLMG matters including those delegated to the CEO
  - Commitment to maintaining a governance perspective and role
  - Commitment to representing the Board and SGLMG in a manner befitting Board membership status
  - Commitment to collective responsibility for all matters pertaining to the Board
- Adhere to all SGLMG policies.

- Accept the principle that, outside Board meetings, the Board speaks with one voice, that no one member shall publicly express his/her/their own opinion should this deviate from an agreed Board position or decision.
- Accept a level of accountability that automatically accompanies Board membership. The Board is accountable to the members for its actions and decisions and must exercise due care and diligence in decision making.
- Provide induction training for new members and provide ongoing training to ensure positive support for members in their work on the Board.

## Appointment and Termination

Directors are elected by membership. The term in office is two years. At each Annual General Meeting (AGM), four vacancies are made available for election. A director may stand again following their two year term. There are two Chairs, 'co-chairs', shared across genders. The Chairs are voted by the directors. There is no deputy chair.

Newly appointed directors will receive a letter of appointment and be provided with an induction program. To accept a director position, individuals must sign a Consent to Act and a declaration. This is a legal requirement and implies that the director understands and accepts their legal obligations.

Directors once elected must represent the interests of the whole organisation and are bound by Board policy, charitable purpose and strategic plans, regulations and the democratic process of decision making.

Causes for termination of directors is explained in the Board Charter. Removal of directors before their term ends must be put to a member vote.

## Role of the Co-Chairs

The role of the co-chairs of the Board is to manage the business of the Board both inside and outside of the boardroom.

Inside the boardroom, the chair's responsibilities involve:

- setting the agenda for Board meetings, often in conjunction with the company secretary and the CEO
- overseeing information flow to the Board, including working with management and the company secretary to ensure that the Board receives the necessary information from both management and its Board committees to adequately equip the Board to fulfil its responsibilities
- managing and facilitating discussion at Board meetings, including to ensure that:
  - the Board is given sufficient time for discussion and consideration of matters before it; and
  - all directors have an opportunity to contribute. Implicit in this is the need for the chair to harness the skills, qualities and resources of the Board collectively and to guarantee that issues of personality and style do not interfere with the Board's work.
- facilitating the provision of feedback to management and Board committees on the quality of information provided to the Board; and
- working with the company secretary to ensure there are accurate records of Board meetings.

Outside the boardroom, the chair has various responsibilities such as:

- acting as the link between the Board and management, and particularly between the Board and the CEO
- conducting the annual general meeting; and
- acting as a spokesperson for the Board and the company

## Delegation by the Board

Section 12.1 of the Constitution allows the Board to delegate any of its powers or functions to a committee of directors, a director or directors, an employee or officer of the company, or any other person or persons. This delegation does not delegate the Board’s legal duty imposed on directors.

## Board Committees and Working Parties

Committees and working parties are sub-sets of the Board and help the Board fulfil its duties. They can be useful for areas of Board business that require specialist skills or a substantial time commitment. They often do the homework for the Board and provide recommendations to the Board. Committees cannot make binding Board decisions or speak for the Board as decision-making responsibilities rest with the Board of directors. The Board remains responsible for the exercise of the power it delegates.

The Board has two standing committees (Figure 1), Audit and Risk Committee and People and Nominations Committee. Other committees may be created by delegation from the Board for specific purposes. Committee work should not conflict with the CEO’s delegated responsibilities. Committees are governed by a Charter which defines their role, timespan, functions and responsibilities. Where committees or working parties are established to meet a specific objective, they are disbanded by Board motion once the objective is met or the objective is no longer relevant.

Directors are appointed to sit on a committee. The Committees report back into the Board.

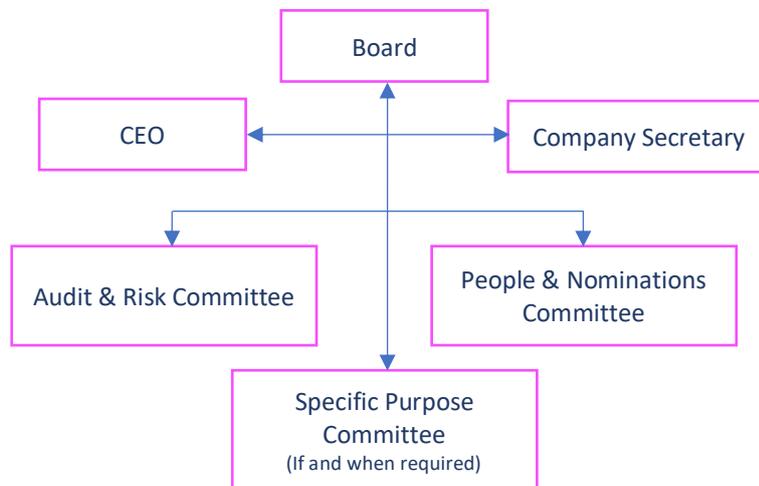


Figure 1: SGLMG Governance Structure

## ACNC Governance Standards

As registered charities, SGLMG and MGA must comply with the ACNC Governance Standards. Non-compliance could result in loss of charitable status, damaged reputation and loss of funding making it unviable. Directors are responsible for ensuring that SGLMG complies with these standards. Directors are 'Responsible Persons'. The five Standards are:

### Standard 1: Purposes and not-for-profit nature

Charities must be not-for-profit and work towards their charitable purpose. They must be able to demonstrate this and provide information about their purposes to the public.

### Standard 2: Accountability to members

Charities that have members must take reasonable steps to be accountable to their members and provide them with adequate opportunity to raise concerns about how the charity is governed.

### Standard 3: Compliance with Australian laws

Charities must not commit a serious offence (such as fraud) under any Australian law or breach a law that may result in a penalty of 60 penalty units (equivalent to \$12,600 as at December 2018) or more.

### Standard 4: Suitability of Responsible Persons

Charities must take reasonable steps to:

- Be satisfied that its Responsible Persons are not disqualified from managing a corporation under the *Corporations Act 2001 (Cth)* or disqualified from being a Responsible Person of a registered charity by the ACNC Commissioner, and
- Remove any Responsible Person who does not meet these requirements.

### Standard 5: Duties of Responsible Persons

Charities must take reasonable steps to make sure that Responsible Persons are subject to, understand and carry out the seven duties set out in this Standard.

1. Act with reasonable care and diligence
2. Act honestly in the best interests of the charity and its purposes
3. Not to misuse the position of responsible person
4. Not to misuse information obtained in performing one's duties
5. Disclose any actual or perceived conflict of interest
6. Ensure that the charity's financial affairs are managed responsibly
7. Not allow a charity to operate while insolvent

## Board Charter

### Principles for Directors

All Directors must conduct themselves in accordance with the law and best NFP practice and ensure that they comply with each of the following principles (Principles):

- Directors act in the best interests of SGLMG as a whole, with honesty and in good faith
- Directors use care and due diligence when carrying out their duties and act in a way that recognises their primary duty is the successful delivery of strategy, whilst appropriately taking into account the interests of other stakeholders including donors and sponsors
- Directors do not make improper use of their position as Directors or of information obtained from their position
- Directors do not allow any personal conflicts of interests or the interests of any associate or related party to interfere with their duties to SGLMG or its stakeholders, and must remain compliant with the approved Conflict of Interest Policy at all times
- Directors do not engage in conduct which is likely to attract undue negative publicity to SGLMG or is likely to damage the NFP's reputation
- Each individual Director has an ongoing responsibility to exercise sound rational judgement and independence of mind and to take all reasonable steps to make proper enquiries when making decisions on behalf of SGLMG
- Directors recognise and respect the confidential nature of information they will receive during the course of their duties and agree to honour the confidentiality of that information; and
- Consistent with these Principles, Directors seek to ensure that SGLMG operates ethically and safely in the interests of all stakeholders.

### Disclosures

In addition to being required to conduct themselves in accordance with the Principles for Directors and Directors' Responsibilities, Directors and Executive staff must be meticulous in disclosure of any material contract or relationship in accordance with *ACNC Governance Standard 5*. Directors must strictly adhere to the constraints on their participation and voting in relation to matters in which they may have an interest as required by law and relevant SGLMG policies.

Each Director may be involved with other companies, professional firms or associations, which may from time to time have dealings with SGLMG. Directors must be meticulous in ensuring that disclosure, as required by law, is made of any dealings and, where required, details are set out in SGLMG's financial statements.

Annually Directors and Executive staff will record their interests and the Company Secretary will maintain a register of Directors' Interests. It is incumbent on Directors to update the register of interest where their interests change outside of the annual reporting period. Where conflicts of interest exist Directors will make this known to the Board. An opportunity to declare conflicts of interest specifically related to the pending agenda will be made available at each meeting of the Board, these conflicts are in addition to a Directors annual conflict reports.

The Board acknowledges that this Board has no independent directors. As a member-based Board, in addition to the matters referred to above, the Board has taken into account:

- Specific disclosures made by each Director; and
- Where applicable, the related party dealings of each Director, noting that those dealings are not material under accounting standards

The Board recognises the absence of non-executive directors and independence and must remain cognisant of, in its decision-making, the Board's individual and collective duty to act in the best interests of all SGLMG stakeholders.

## Director Selection

Directors are selected by vote from the membership or an Expression of Interest when a vacancy arises. The Board should consider its composition including the mix and depth of skills, experience and attributes, and highlight any gaps to the member base to attract candidates to enhance the Board's capacity to discharge its responsibilities to the highest standard.

In considering the appointment of Directors the following should be taken into account: diversity in its broadest sense; impeccable values; capacity to contribute constructively to a team; willingness and capacity to devote the time and effort required; capacity to contribute strongly to the assessment and oversight of risk and risk management; capacity to contribute to the development and implementation of strategy and the NFP's policies; and a strong appreciation of the responsibilities of SGLMG to its employees, the communities of which it supports, its suppliers and other stakeholders.

It is essential that the Board has the appropriate mix of subject matter expertise.

## Constitution

SGLMG operates under a Constitution which is reviewed annually against changes in the law and best practise. Any changes considered desirable by the Board are to be agreed to in a General Meeting.

## Powers and Responsibilities of the Directors

### Directors to manage and exercise powers of SGLMG

In accordance with the Constitution, the business of SGLMG is to be managed by the Directors who may exercise all the powers of SGLMG that are not, by the Corporations Act, ACNC Act or by the Constitution, required to be exercised by the Company in a General Meeting of the members.

### Directors' Responsibilities

The Directors must conduct themselves consistently with the Principles in carrying out the following key functions:

- Oversight of the business, strategy and affairs of SGLMG
- Approving and monitoring progress of significant expenditure, capital management, debt, refinancing, leasing, hiring, acquisitions, disbursement and disposal of assets as may be required
- Establishing with Management the strategies and financial objectives and reviewing and monitoring implementation of those objectives and strategies
- Monitoring the performance of Management in accordance with the Business Plan, core values and strategic priorities
- Appointing, supporting, evaluating and rewarding the SGLMG staff and having in place an executive management succession plan as appropriate
- Ensuring a diverse and effective Board with appropriate operating standards, governance processes and procedures for the Board and its Committees
- Ensuring that the principal business risks have been identified and the implementation and monitoring by management of a Risk Policy (reviewed annually) to manage those risks
- Ensuring a process is in place for maintenance of the integrity of internal controls, and financial and management information systems
- Ensuring SGLMG acts legally and responsibly on all matters
- Ensuring that appropriate ethical standards are maintained
- Ensuring proper and timely financial and governance reporting to relevant parties

- Ensuring Company compliance with approved Conflict of Interest policy as approved by the Board
- Approving appropriate policies and procedures
- Ensuring valid and commensurate Company and Directors insurance is put in place
- Approving and holding a Delegations of Authority Matrix between the Board and Executive; and
- Hold other registers as required by the policies it approves, including, but not limited to, a Risk and Interests of Directors Register.

Individual Directors cannot direct SGLMG managers or staff. Board Direction to SGLMG comes through the Chair/s to the CEO.

## **Board Composition**

### **Number of Directors**

The Constitution provides that the required number of Directors is at least eight and not more than 16 (or a lower number determined by the Board).

### **Chairs**

The Directors must elect two of their number as shared Chairs. The Chairs have a major role as the head of the Board in providing leadership of the Board and leadership in the strategic direction of SGLMG, more particularly:

- Leading and facilitating the Board and its deliberations
- Ensuring the Directors' focus is on the delivery of strategy
- In consultation with the Board, appointing a CEO
- Maintaining an open and professional dialogue with the CEO on behalf of the Board
- Ensuring that, through the CEO, management appropriately responds to questions and enquiries of members of the Board
- Where appropriate, acting as spokesperson and communicating and consulting with relevant stakeholders on significant issues
- Ensuring that each Director appropriately contributes to the Board's decision-making process
- Ensuring the Board has a performance evaluation and monitoring process
- Setting the agenda for each Board meeting, taking into account suggestions from other Directors and ensuring meetings are effectively conducted
- Maintaining ethical standards based on agreed vision; and
- Reviewing CEO performance on an annual basis, which may include input from individual Directors if appropriate provided through the Chair/s.

### **Chief Executive Officer (CEO)**

The Board may appoint a CEO for the period and on the terms they think fit.

- The Board may confer on the CEO any of the powers exercisable by them on such terms and conditions and with such restrictions as they see fit, which are specifically laid out in an approved Delegations of Authority Policy and associated Register. They may withdraw or vary any of the powers.
- The CEO is accountable to the Directors via the Chairs and is responsible for the management and control of the affairs of SGLMG. The CEO reports to and through the Chairs.
- The CEO is to enter into a contract of employment with MGA.

## Appointment of Directors

### Terms and Conditions

All new Directors appointed to the Board receive a letter of appointment, which sets out the basis of appointment. New Directors will receive a copy of SGLMG's governance manual and may request other relevant Company documents.

### Induction and Briefings

The Board induction process involves:

- Individual briefings with the Chairs and CEO to discuss expectations and responsibilities.
- Induction by the Company Secretary to understand systems, policies and processes.

New Directors must inform themselves with developments in the sector and are encouraged to meet SGLMG management to gain a better understanding of business operations.

### Removal of Directors

A director stops being a director if they:

- become ineligible to be a Director of the Company under the ACNC Act while the Company is a Registered Entity
- cease to be a Director by operation of the Corporations Act
- are prohibited by the Corporations Act from holding office or continuing as a Director
- are prohibited from holding or is removed from the office of Director by an order made under the Corporations Act
- become of unsound mind or a person whose estate is liable to be dealt with in any way under the law relating to mental health
- resign by notice in writing to the Company, from the date of receipt of that notice by the Secretary, or on a later date specified in the notice
- are removed by a resolution of the Company
- become bankrupt or make any general arrangement or composition with his or her creditors
- are absent from Directors' meetings for six consecutive months without leave of absence from the Directors
- are directly or indirectly interested in any contract or proposed contract with the Company and fails to declare the nature of the interest as required by the Corporations Act
- Die
- cease to be a Member of the Company.

### Remuneration of Directors

SGLMG will not pay fees to a Director for acting as a Director, except for appropriate reimbursement as outlined in the Constitution.

### Additional Duties

The Constitution provides that if a Director performs additional or special duties for SGLMG, SGLMG will not remunerate that Director as determined by the Constitution.

### Expenses

A Director is entitled under the Constitution to be reimbursed out of the funds of SGLMG for such reasonable travelling, accommodation and other expenses as the Director may incur whilst travelling to or from meetings of the Directors or a Committee or when otherwise engaged on the business of SGLMG.

## Board Committees

### Committee Structure

To assist the Board in its execution of responsibilities, the Directors may establish Committees as required. Sub committees are chaired by a director with the appropriate skill set to the Committee's charter. The following Sub-Committees will be established at a minimum:

- Audit & Risk Committee (ARC) to comprise of at least six subject matter experts who are not members of the Board (Independent Members). The Chair will be a Director of the Board and another Director may be invited to sit on the Committee. The ARC's mandate is outlined in its Charter but includes oversight and the provision of advice to the Board of SGLMG's risks, cash-flow, policies and financial procedures and ensures compliance with regulation and legislation including audit.
- People & Nominations Committee (PNC) of the Board to comprise subject matter experts and two board directors. The role of the People & Nominations Committee is outlined in its Charter. It advises the Board of suitable nominations to join the Board, its Committees and senior management of SWP.

Minutes or a report from each meeting of any Committee are to be tabled to the Board at its next meeting. If any Committee Chair determines that a matter before it requires the attention of the Board a paper on the matter will be presented at the subsequent Board meeting.

Committee member tenure will be two years. Members may put themselves forward for a subsequent tenure. The requirement for Committees will be reviewed annually and the structure may evolve to meet the evolving needs of SGLMG. Committees will run for the duration in order to achieve their purpose.

### Advisory Committee

The Board may be supported by an advisory committee that provides subject matter expertise on an as required basis from time to time as determined by the Chairs.

### Approach to Risk

SGLMG has adopted a combined assurance approach to risk management, compliance and the establishment of internal audit, control and risk framework, involving contributions from external audit and management coordinated through an internal audit, control and risk function. SGLMG's Risk Policy, including a Risk Register, is endorsed by the Audit and Risk Committee and approved by the Board. The Risk Policy will inform the Board of appetite for risk and guide the decision-making process.

## Company Secretary

### Appointment

Chapter XI of the Constitution provides that:

- There must be at least one Secretary of the Company appointed by the Directors for a term and on the terms determined by the Directors.
- The Secretary is entitled to attend and be heard on any matter at all Directors' and general meetings.
- The Directors may, subject to the terms of the Secretary's employment contract, suspend, remove or dismiss the Secretary.

### Duties

The duties of the Company Secretary are to ensure compliance with the statutory and internal obligations of the Company (including under the Constitution, the Corporations Act and Australian Charities Not-for-Profit Commission Act). They include:

- Advising Directors and committees on governance matters
- Ensuring the business of meetings is accurately captured
- Managing the administration of meetings, preparation, during and after
- Maintaining the minutes and other records of general meetings (including notices of meetings), Directors' Meetings and circular resolutions
- Monitoring Board and committee policy and procedures
- Notification to Australian Charities and Not-for-Profit Commission (ACNC) and Australian Securities and Investment Commission (ASIC) within deadlines for statutory filings and returns
- Maintaining the ACNC charity portal
- Awareness of obligations of SGLMG in relation to maintenance of books and records (i.e. minutes, financial statements and statutory registers)
- Monitoring Directors' standing interests and providing any changes to the Directors in papers submitted to the Board
- Maintaining relevant registers
- Maintaining a register of SGLMG's Members, and
- Assisting to organise and facilitate the induction and professional development of Directors.

## **Proceedings of Directors**

### **Meetings of Directors**

The Constitution provides that:

- The Board must meet 6 times annually.
- A Director may call a Directors' Meeting by giving reasonable notice to the Secretary who will call a meeting.
- A Director may give notice in writing or by any other means of communication that has previously been agreed to by all of the Directors.

### **Location**

Board meetings are usually held in Sydney but can be held elsewhere at the discretion of the Chair.

### **Electronic Meetings**

Directors may hold their meetings by using any technology (such as video or teleconferencing) that is agreed to by all of the Directors.

### **Circular Resolutions**

The Directors may pass a resolution without a Director's meeting being held if all the Directors entitled to vote on the resolution sign a document containing a statement that they are in favour of the resolution set out in the document. The resolution is passed when the last Director signs.

### **Board Agenda**

Each Board meeting agenda evolves from the outcomes of previous meetings, from items referred to the Directors by Committees, from items which have been identified to come to the Directors on a regular basis as part of an annual agenda structure and for new items that require consideration.

The Company Secretary develops the agenda in conjunction with the Chairs and CEO, and the agenda includes an item reserved for "Other Business" to allow Directors to raise additional items in the meeting, where considered appropriate.

### **Matters to be brought to the attention of the Board**

The Directors have established guidelines to assist management with issues that must come to the Directors or Board committees for consideration.

The CEO is responsible for reporting to the Board on business operations. This includes:

- Strategic priorities, vision and core values, objectives, safety and budgets
- Monitoring of achievement of the strategic business plan and objectives
- Capital expenditure in excess of that forecast in the approved Business Plan or delegated authorities
- Decisions beyond management delegations
- Risk profile and control framework
- Major issues affecting the organisation's external environment and corporate reputation
- Governance and legal issues including major potential or actual litigation or non-compliance with legislation or SGLMG policies
- Capital and debt matters
- Organisational structure
- Delegations of authority
- Committee reports; and,
- D&O insurance renewal.

### **Presentation of Papers**

The reporting of information to Directors is principally by way of the quarterly Board meeting, from the CEO and relevant SGLMG Staff.

Board and Committee papers should be clear and concise, without jargon and be divided into items for decision and those for noting. Papers are distributed by the Company Secretary to allow five business days for reading prior to the meeting. Additional papers should only be tabled at meetings in special circumstances with pre-approval of the CEO and in consultation with the Chairperson.

### **Access to Information by Board**

#### **Transparency**

To ensure there is the appropriate transparency the Board will be given read access to SGLMG's Board portal via a single log-on. All information that is assessed to be directly relevant to the Board will be stored in an appropriate part of the system. Access to this system by the Board will be controlled and managed by the Company Secretary.

#### **Board Papers**

Directors acknowledge care must be taken to protect the integrity of papers distributed or provided to them in the course of their duties including papers received and accessed electronically via the electronic distribution systems used by SGLMG.

On leaving SGLMG, the Director's online access to papers will be removed and the Director should deliver to the Company Secretary all Company documents obtained during the course of tenure. Directors may provide Company documents to the Company Secretary to destroy at any time.

The Company Secretary maintains SGLMG's statutory records which includes a complete set of all Board and Committee papers for the use of all Directors.

#### **Stand down**

Subject to the requirements of the law, any director who has received a notice of stand down in accordance with the SGLMG constitution (10.13) will not have access to any documents or other

material produced by SGLMG operation personnel or Board members during the period of stand down.

As duties and responsibilities as a director of SGLMG include acting as a director of Mardi Gras Arts Ltd, the restriction above applies for MGA documents or other materials.

Following expiry of the stand down period, the director may apply to the Board for access to such documents and other materials, which the Board may approve if necessary for the director to exercise their powers and discharge their duties as a director, subject to the requirements of the law and any other restrictions on access such as restrictions imposed under to the Conflict of Interest Policy.

If a Board member has been stood down, a Pathway to Reconciliation will be activated by the Chairs, to assist the individual in developing behaviours appropriate to those required and expected of a Board member.

### **Independent professional advice**

For the purposes of the proper performance of their duties relating to SGLMG, Directors are entitled to obtain independent professional advice at SGLMG's expense following pre-approval by the Chairperson. This advice is treated as advice to the Board and a copy of that advice is to be provided to the Company Secretary.

### **Board Evaluation Review**

Board membership may be refined to reflect the current phase in which SGLMG is operating. Additionally, each year the Directors conduct a review to evaluate their performance in meeting stakeholder expectations, including the review of individual Directors contribution. It is considered that this matter is appropriately reviewed by the whole Board under the direction of the Chairperson and not by a Board committee alone.

The review may include:

- Comparing financial and non-financial results against the approved Business Plan
- The quality and effectiveness of information made available to the Board
- The effectiveness and composition of the Board
- The strategic direction and objectives
- Assessing whether corporate governance practices are appropriate
- Assessing whether the expectations of stakeholders are achieved; and
- Individual Directors contribution, and comments from Directors.

### **Individual Director Appraisal**

The Chairperson may discuss individual Director's contributions with each Director face-to-face, as appropriate.

### **Appraisal of CEO**

The Chairs holds regular discussions with the CEO in relation to issues affecting SGLMG. The Board and its committees keep the performance of the CEO under continual review. The appraisal of the CEO is conducted by the Chairs.

### **Indemnification**

#### **Constitution Indemnification**

The Constitution provides that:

- SGLMG indemnifies each Officer of the Company out of the assets of the Company, to the relevant extent, against all losses and liabilities (including costs, expenses and charges) incurred by that person as an Officer of SGLMG.

- In this clause, 'Officer' means a Director or Secretary and includes a Director or Secretary after they have ceased to hold that Office.
- The indemnity is a continuing obligation and is enforceable by an Officer even though that person is no longer an Officer of SGLMG.

### **Directors and Officers Liability Insurance**

SGLMG has in place Directors' and Officers' liability insurance.

To the extent permitted by law (including the Corporations Act), and if the Directors consider it appropriate, SGLMG may pay or agree to pay a premium for a contract insuring a person who is or has been an Officer of SGLMG against any liability incurred by the person as an Officer of SGLMG.

### **Confidentiality and Contact with Media and Third Parties**

All engagement with external parties will be guided by the Media and Communications Policy.

## **Management**

### **Delegation**

The Constitution vests those powers which are not exercised by the Company in a Meeting of the Directors. The Directors delegate responsibility for managing SGLMG to appropriate Committees and the CEO. This includes operation of the business in accordance with the Business Plan, supporting budget, delegations of authority policies and in compliance with directions issued by the Board from time to time. A Delegation Policy and accompanying Delegation Register will authorise specific authority to a Committee or CEO. The Delegation Policy is approved by the Board who will maintain a Delegations Register.

### **Pathway to Reconciliation following stand down as per clause 10.13**

Directors move a motion of stand down against a director in accordance with the SGLMG constitution (clause 10.13).

The director is issued the Notice to advise of the stand down.

#### **Before the stand down period is completed**

A follow-up meeting with the Director on stand down (SD director) will take place.

The attendees in the meeting will be:

1. The SD director and an independent support if chosen.
2. The SD director may choose one of the two co-chairs to minimise potential for over representation.
3. An independent member selected by the SGLMG Company Secretary or the co-chairs. Such a member may be from an existing committee such as the A&R, PAN or other committee; or a third party organisation such as the Employee Assistance Programme (EAP) panel of services which have experience of being involved in employee conflict and mutual resolution (the cost of the third party organisation will be covered by SGLMG).

The agenda of the meeting will include:

- Introduction - reason for meeting and review of reasons for stand down
- Key learnings - open discussion on issues and any learnings over period of stand down
- Re-integration - agreed next steps on coming back to Board, proposed communication and ensuring confidence from other Board members in light of 'no confidence' motion
- AGM intention - discuss proposal to stand as Director at AGM (if relevant)
- Summary - close and agreed actions

The meeting will be summarised, documented and provided to the SD director and recorded by the Company Secretary.

**Breach**

A breach of the agreed pathway to reconciliation will be managed in accordance with the Board Charter and be open to actions, such as a motion for removal by the members.

## Board Code of Conduct

The Board of Sydney Gay and Lesbian Mardi Gras Ltd and Mardi Gras Arts Ltd (SGLMG /MGA) recognises its overriding responsibility to act with integrity, honesty and the highest ethical standards in serving the interests of SGLMG/MGA, including its employees, clients, volunteers, other stakeholders and the community at large. This Board Code of Conduct (Code) supports the Directors of SGLMG/MGA in meeting this overriding responsibility. It provides a statement of principles and expected behaviours to assist Directors in the performance of their duties and the exercise of their powers. The Code applies in addition to any relevant provisions of SGLMG/MGA's Code of Conduct Policy and takes precedence to the extent of any inconsistencies. Directors should have regard to that Policy and are expected to demonstrate the SGLMG/MGA values set out in that Policy. However, the Code cannot address all ethical questions or behaviour that Directors may encounter. Directors therefore need to be aware of, and comply with, relevant legislation and SGLMG/MGA's other policies and guidelines. All Directors receive this Code as part of their induction. If they need more information or are unsure of SGLMG/MGA's expectations or of their duties and responsibilities, they should contact the Company Secretary or the Chair/s.

### Statement of principles act in SGLMG/MGA'S best interests and value its reputation

Directors should:

- undertake their duties with care and diligence in accordance with their legal obligations
- always act in good faith and in the best interests of SGLMG/MGA as a whole
- use their powers for a proper purpose and exercise their authority responsibly and within their limits. Directors are responsible for understanding these limits and are accountable for how they use their authority
- behave in a way that brings credit to SGLMG/MGA and takes into account its impact on the broader community and its position as a community funded and owned organisation, and apply independent judgement to all matters before them and take all reasonable steps to be satisfied as to the soundness of all decisions taken by the Board.

### Act with honesty and integrity

Directors should:

- act honestly and with integrity in all of their dealings for SGLMG/MGA in a way that ensures their honesty is beyond question
- not make promises or commitments they know SGLMG/MGA does not intend, or would be unable, to honour
- not knowingly participate in any illegal or unethical activity
- always speak the truth, and not knowingly mislead directly or indirectly or make false statements, or mislead by omission
- not use SGLMG/MGA's name, property or information to further any personal or other business transaction, and
- use goods, services, systems, equipment and facilities provided to them by SGLMG/MGA for proper purposes and strictly in accordance with the terms on which they are provided.

### Treat others with respect and value differences

Directors should:

- treat all people they encounter through their work with SGLMG/MGA with dignity and respect
- make any appointment decisions based on merit, and not on attributes that are irrelevant to appointment or performance, and
- never unlawfully discriminate, harass or bully anyone in their SGLMG/MGA dealings. This includes being sensitive to behaviour that may be acceptable to them but not to others.

## **Respect and maintain privacy and confidentiality**

Directors should:

- not improperly disclose or use any confidential information about SGLMG/MGA acquired as a Director
- ensure that confidential information relating to SGLMG/MGA staff, volunteers, clients and SGLMG/MGA's operations is not given by them either inadvertently or deliberately to third parties without the consent of SGLMG/MGA, and
- respect the privacy of others.

## **Identify conflicts of interest and manage them responsibly**

Conflicts of interest may occur where a Director (and at times their family):

- has a financial interest in a matter involving SGLMG/MGA
- is a shareholder, Board member, director or employee of other organisations (or has some other contractual arrangement with such an organisation from which they may financially benefit) with which SGLMG/MGA has a financial interaction
- holds personal beliefs or attitudes that influence their impartiality
- has personal relationships with people with whom SGLMG/MGA is dealing that go beyond the level of a professional working relationship
- without restricting individual democratic rights, is involved in party political activities which could affect the ability to represent SGLMG/MGA's interests in a non-partisan way to the community and their elected representatives
- has access to information that could be used for personal gain
- participates in outside activities, including volunteer work, that could adversely affect their ability to act as a SGLMG/MGA Director, or
- has a duty or loyalty to another organisation that may compete with their duty to act in the best interests of SGLMG/MGA.

Directors should:

- fully disclose active private or other business interests promptly (including financial and other interests that could compromise or be perceived to influence the impartial performance of their duties) and any other matters that may lead to potential or actual conflicts of interest
- fully disclose all related party transactions and comply with the Related Party Transaction policy
- in addition to providing full disclosure, refrain from and avoid being engaged in any decision making capacity with respect to SGLMG/MGA decisions in relation to matters, persons or entities which involve an actual or perceived conflict of interest (and be prepared to change their circumstances to avoid or remove the relevant conflict)
- avoid any financial or other interest that could compromise or be perceived to influence the impartial performance of their duties
- not improperly use SGLMG/MGA's information or property for personal financial or other gain, nor to obtain any financial or other benefit for any other person or business
- fully disclose active private or other business interests promptly and any other matters that may lead to potential or actual conflicts of interest
- fully disclose all relationships they have with SGLMG/MGA. Directors' dealings with SGLMG/MGA should always be at arm's length to avoid the possibility of actual or perceived conflicts of interest, and
- comply with the SGLMG and MGA Constitutions, the Board Charter and any other SGLMG/MGA policies concerning director's disclosure of interests and the handling of conflicts of interest.

**Not make or receive improper payments, benefits or gains**

Directors should:

- never accept or offer any improper payment or benefit in connection with their role as a SGLMG/MGA Director
- never accept any gift, reward or entertainment, including discounted products, free travel or accommodation, if it could create any obligation or expectation that could conflict with their role as a SGLMG/MGA Director. If in any doubt, Directors should discuss the matter with the Chair/s, or the Company Secretary
- never try to improperly influence the outcome of any decision, for example by offering a payment or benefit that is not legitimately due. Such payments or benefits are unacceptable, and
- not use their status as a Director to seek personal gain from those doing business or seeking to do business with SGLMG/MGA.

**Abide by and comply with this code, the law and SGLMG/MGA policies and procedures**

Directors should:

- be familiar and comply with all relevant laws and regulations applicable to them. Directors must not take any action, or fail to take any action, that may breach the law or applicable SGLMG/MGA policies, procedures or practices
- complete all induction and education programs required of them by the Board to build and maintain their awareness and understanding of relevant laws, policies, procedures and practices
- have full knowledge of all requirements and responsibilities of a Responsible Person in their role as a director
- comply with the spirit as well as the letter of the law and this Code.

**Public comment**

Directors have the right as private citizens to express their personal views through public comment on political and social issues. However, they must not make or appear to make statements on behalf of SGLMG/MGA, without consultation with the Chief Executive Officer (CEO) and unless authorised to do so. Public comment includes public speaking engagements, comments in the media, views expressed in letters to newspapers, in online services such as social media, or in publications. Public comment would not include, for example, acknowledgement of volunteer and staff contributions at SGLMG/MGA events. Directors should refer requests for media statements to the CEO who will discuss with the Board chair/s where appropriate. If a Director is required to engage with the media, they should first contact the CEO who will organise appropriate SGLMG/MGA media training. Unless Directors have received such training, they should not speak to media about SGLMG/MGA's business. Unauthorised comments will be retracted.

Where directors make public statements and acknowledge their position on the Board, directors must use reasonable efforts to clarify that they are not speaking on behalf of Mardi Gras and that their views are not necessarily those of SGLMG, unless they have prior authorisation from the Board.

If the director becomes or is made aware that they have been included in a public comment that links them with SGLMG/MGA and they have not sought prior authorisation from the Board, they are to advise the co-chairs as soon as possible

To manage these situations, the director in company with a co-chair will contact the media source and include the following statement or similar:

*The views I have expressed are my own, and do not necessarily express the views of SGLMG.*

If the director does not take steps to include this statement or have unauthorised comments removed, the media outlet will be contacted by the co-chairs to include the statement or have the article removed.

Directors may make an official comment when giving evidence in court. Directors must not access, use, disclose or release any internal SGLMG/MGA documents or confidential information or privileged information unless they need to do so in the course of their work or are authorised to do so. They must protect the privacy of member information and other personal information maintained by SGLMG/MGA as required by SGLMG/MGA's Privacy Policy.

During or after a director's term on the Board, directors must not disparage SGLMG, employees, officers or directors, nor transmit disparaging communications on the internet or social media.

### **Breaches of this Board code of conduct**

Any breaches of this Board Code of Conduct should be reported to the Chair/s or Company Secretary or the Chair of the Audit and Risk Committee.

Breaches will be assessed according to the Corporations Act 2001, ACNC Governance Standards and the constitution.

### **Definitions**

Material personal interest' 'material' implies that the interest needs to be of some substance or value. An interest that has the capacity to influence the vote of a director would be considered material. Where this is the case, the nature of the interest could be direct, indirect, contingent or contractual.

To be personal, an interest need not be pecuniary.

## Conflict of Interest Policy

The Board of Sydney Gay and Lesbian Mardi Gras Ltd and Mardi Gras Arts Ltd (SGLMG /MGA) recognises that it has an overriding responsibility to act with integrity, honesty and the highest ethical standards in serving the interests of SGLMG/MGA, including the employees, clients, volunteers, other stakeholders and the community at large. The SGLMG and MGA Board aim to ensure that Board members are aware of their obligations to disclose any conflicts of interest that they may have, and to comply with this policy to ensure that they effectively manage those conflicts of interest as directors of SGLMG/MGA.

Conflicts of interest are common however they do not need to present a problem as long as they are openly and effectively managed. It is the position of SGLMG/MGA, as well as a responsibility of the directors, that ethical, legal, financial or other conflicts of interest be avoided and that any such conflicts (where they do arise) do not conflict with the obligations to SGLMG/MGA.

This policy supports the Board's responsibility to meet the Australian Charities and Not-for-profits Commission (ACNC) governance standards in particular the duties of Responsible Persons.

### Purpose

This policy has been developed to address conflicts of interest affecting SGLMG/MGA and to help Board directors effectively identify, disclose and manage any actual, potential or perceived conflicts of interest in order to protect the integrity of SGLMG/MGA and manage risk. Managing conflicts mitigates the risk that a person will make a decision based on, or affected by, other influences, rather than in the best interests of SGLMG/MGA, or that such decisions will be perceived to be based on, or affected by those other influences.

### Scope

This policy applies to all officers including the directors of SGLMG and MGA, Board associates, company secretary, CEO and senior management.

## Definitions

### Conflicts of interest

A conflict of interest occurs when an individual's personal interests conflict with their responsibility to act in the best interests of SGLMG/MGA. Personal interests include direct interests, as well as those of family, friends, or other organisations that a person may be involved with or have an interest in (for example, as a shareholder, owner, director, employee, volunteer, or relative or friend). It also includes a conflict of loyalty, such as between a person's duty to SGLMG/MGA and another duty that the person has (for example, to another charity or sub-group of SGLMG). A conflict of interest may be actual, potential or perceived and may be financial or non-financial.

### Material personal interest

'Material' implies that the interest be of some substance or value. An interest that has the capacity to influence the vote or decision of a person is considered material. The nature of the interest could be direct, indirect, contingent or contractual. To be personal, an interest need not be pecuniary as it may provide a non-pecuniary advantage.

### Pecuniary interest

An interest that a person has in a matter because of a reasonable likelihood or expectation of appreciable financial gain or loss to the person or another person with whom the person is associated, for example, arising from property or share ownership, secondary employment, the receipt of gifts benefits or hospitality, or other sources of income

**Non-pecuniary interests**

Private or personal interests which can lead to personal feelings affecting a person's judgement, duties or decisions, for example, personal or family relationships, or involvement in sporting, social, political or cultural activities, or workplace relationships or associations.

**Officer**

An officer is a director or company secretary; a person who makes, or participates in making, decisions that affect the whole or a substantial part of the business; a person who has the capacity to significantly affect the financial standing of SGLMG/MGA; a trustee or other person administering a compromise or arrangement between SGLMG/MGA and another.

**Related party**

A related party is a person or organisation (for example, suppliers, contractors and their owners and staff, or a Not-For-Profit beneficiary) that is related (or has connections) to SGLMG/MGA. They can include pre-existing relations with directors, other persons, employees, volunteers, their families, and friends.

**Responsible Person**

A Responsible Person is someone who is responsible for governing SGLMG. Directors are Responsible Persons.

**Policy**

Ethical, legal, financial or other conflicts of interest are to be avoided, and where they do arise, must not conflict with the obligations to SGLMG/MGA.

SGLMG/MGA will manage conflicts of interest by requiring directors and other decision-makers to:

- avoid conflicts of interest where possible
- avoid perceptions of conflicts of interest
- identify and disclose any conflicts of interest
- carefully manage any conflicts of interest, and
- follow this policy and respond to any breaches.

Chair/s and the CEO will ensure that all directors, officers and staff are aware of and comply with this policy.

**Responsibilities**

The Board is responsible for:

- establishing a system for identifying, disclosing and managing conflicts of interest across the organisation
- monitoring compliance with this policy, and
- reviewing this policy on an annual basis to ensure that the policy is still relevant and accurate, and operating effectively.

**Identification and disclosure of conflicts of interest**

In line with a director's legal duty, and compliance with ACNC Governance Standard 5, directors are required to declare any relationships or personal interests that have the potential, or could be perceived as having the potential, to impact on the unbiased and fair decisions or advice provided in the course of their duties. In compliance with this policy, this requirement is extended to the CEO and other officers.

A Declaration of Interest regardless of whether they have an interest to declare must be made when:

- one is appointed

- change roles
- their circumstances of private interest change
- a new conflict of interest arises

Directors will also make an annual declaration during their time serving the Board.

Once an actual, potential or perceived conflict of interest is identified, it must be entered into the Register of Interests (the Register), as well as being raised with the Board and the CEO.

Directors should disclose any situation where they may appear to have a conflict between their duty to act and a personal (private) interest.

Directors will not discuss or vote on any matter where there is such a conflict.

If an unexpected conflict arises such as discussion during a meeting, the director must take immediate and positive action to declare the conflict. The director and Board must manage the situation appropriately.

### **Register of Interests**

The Register of Interests will be maintained by the Company Secretary. The Register must record information related to a conflict of interest including the nature and extent of the conflict of interest and steps taken to address it. Entries on the Register will be retained for a minimum period of seven years following the individual's departure from SGLMG.

### **Managing conflicts of interest**

Once the conflict of interest has been appropriately disclosed, the Board (excluding the director who has made the disclosure, as well as any other conflicted director) must decide whether or not the interest represents a conflict, and if those conflicted directors should:

- vote on the matter
- participate in any debate, or
- be present in the room during the debate and the voting.

In accordance with s195 of the Corporations Act 2001, where an interest has been declared, a director must not remain in a Board meeting unless the disinterested directors pass a resolution that:

- identifies the director/s, the nature and extent of the interest and its relation to the companies' affairs
- states that they are satisfied that the interest does not disqualify the director/s from voting on the issue.

In determining action, the Board will consider:

- whether the conflict needs to be avoided or simply documented
- whether the conflict will realistically impair the disclosing person's capacity to impartially participate in decision-making
- alternative options to avoid the conflict
- the organisation's objects and resources, and
- impact in reputation considering the possibility of creating an appearance of improper conduct that might impair confidence in SGLMG/MGA.
- If the conflict is significant enough to prevent a director from regularly participating in Board discussions, the Board and the person conflicted may consider if it is appropriate for the conflicted officer to resign from the Board.

The Board may also consider other options including:

- restricting access by the director to information relating to the interest
- asking the director to demonstrably relinquish the personal or private interests

- engaging an independent third party to participate in, oversee or review the integrity of the decision-making process.

The approval of any action requires the agreement of at least a majority of the Board (excluding any conflicted director/s) who are present and voting at the meeting.

The company secretary shall record the action and result of the voting in the minutes of the meeting and in the register of interests.

### **Confidentiality of disclosures**

The Register is only available to directors, officers and auditors of SGLMG/MGA or as permitted by law. All persons granted access must maintain confidentiality of the disclosed interests.

### **Breaches of this policy**

If the Board has a reason to believe that a person subject to the policy has failed to comply with it, the Board will investigate the circumstances.

If it is found that this person has:

- failed to disclose a conflict of interest
- understated the material personal interest
- failed to remove themselves from discussions or decisions in relation to the interest
- failed to take action to protect SGLMG/MGA from accusations of conflict

the Board may take action against them. This may include a recommendation to members to remove the director for breach of policy and breach of their legal and fiduciary duties.

If a person suspects that a director or officer has failed to disclose a conflict of interest they must notify the Board chair/s or Company Secretary or CEO.

## Related Party Transactions Policy

The Board of Sydney Gay and Lesbian Mardi Gras Ltd and Mardi Gras Arts Ltd (SGLMG /MGA) recognises that it has an overriding responsibility to act with integrity, honesty and the highest ethical standards in serving the interests of SGLMG/MGA, including the employees, clients, volunteers, other stakeholders and the community at large. This policy supports the Board in meeting this overriding responsibility.

### Purpose

This policy provides transparency and best practice governance to facilitate informed decisions in the best interests of SGLMG/MGA. All transactions entered into must be in the best interests of SGLMG/MGA. There is a risk that the interests of a related party may influence the decision-making of directors to the detriment of the interests of members as a whole when considering whether to enter into a transaction with a related party. Directors have duties not to profit from a position of trust or place themselves in a position where duty and interest might conflict.

### Scope

This policy applies to all Responsible Persons (Board directors) and management in decision-making positions.

### Definitions

#### Material personal interest

'Material' implies that the interest be of some substance or value. An interest that has the capacity to influence the vote or decision of a director is considered material. The nature of the interest could be direct, indirect, contingent or contractual. To be personal, an interest need not be pecuniary as it may provide a non-pecuniary advantage.

#### Related Party Transaction

A related party transaction is a transfer of resources, services or obligations between a charity and a related party regardless of whether money has been exchanged. It is a transaction where a related party obtains a benefit and is in a position or perceived to be, to influence the decision of whether the benefit is provided to them, and the terms of its provision. A related party in itself is a conflict of interest.

Related party transactions can include:

- purchases, sales, donations
- receipt of goods, services or property
- leases
- transfers of property including intellectual property
- loans
- guarantees
- provision of employees on a paid or complementary basis

#### Related party

A related party is a person or organisation (for example, suppliers, contractors and their owners and staff, or an NFP beneficiary) that is related (or has connections) to SGLMG/MGA. They can include pre-existing relations with Board members, employees, volunteers, their families, and friends.

The following are examples of related parties for a registered charity:

- a person that is connected to SGLMG/MGA, including Responsible Persons or their spouse or relative, that has control or joint control of Mardi Gras
- an organisation that is connected to SGLMG/MGA and has control or significant influence over Mardi Gras
- an organisation or group that SGLMG/MGA has control or significant influence over
- any organisation and SGLMG/MGA that are members of the same group e.g. 78ers, Pride in Protest, QUEER
- a member, or a close member of their family, of the key management personnel (the people with authority and responsibility for planning, directing and controlling the activities directly or indirectly)
- a company or other entity owned by any of the above
- any third party acting in concert with any of the above

### **Policy**

- All responsible persons must make prompt notification of any material personal interest, perceived or real, that they or an immediate family member, spouse, partner had, has or may have in a transaction, that is, a Related Party Transaction.
- The notice shall be given to the Company Secretary who will enter the related party on the Register of Related Party Transactions. Notification will be provided to the Board at the following Board meeting. All related parties will be recorded in the register of Related Party Transactions as well as the Register of Interests.
- As a general principle all transactions will be made at arms length. A transaction is at arm's length if the relevant parties have dealt with each other as parties normally do when they are not related, so that the outcome of their dealing is a matter of genuine bargaining, and the terms are those that might reasonably have been agreed between arm's length parties to deliver in the best interest of SGLMG/MGA.
- The process must be fully transparent and fully documented including recording in the Registers.
- Approval must be obtained for all party related transactions by the Board chair/s and CEO. If the chair/s or CEO are the related party then other directors or the chair/s of Audit and Risk Committee in place of the related party.
- The Board chairs and CEO will assess the circumstance to ensure an independent arms-length process has been undertaken and determine that the transaction is in the best interests of SGLMG/MGA.
- The individual with the related party will not be present or involved in any way in the decision-making process.
- At least 3 quotes will be obtained by management before any decision is made to ensure assessment of the transaction is at fair market value (unless a valid reason that 3 quotes cannot be obtained).
- The contract of engagement must have Key Performance Indicators (KPIs) that are appropriate and comparable to what would be accepted by other suppliers.
- The contract must provide that non achievement of the KPIs will result in financial abatements that are appropriate and comparable to what would have been accepted by other suppliers.
- The KPIs must be measured and abatements applied where the KPIs are not met.
- The Company Secretary will provide the register to the Finance Manager for inclusion in the annual financial statements.
- Entries on the Register will be retained for a minimum period of seven years following the individual's departure from SGLMG.

### **Breaches of this policy**

If the Board has a reason to believe that a person subject to the policy has failed to comply with it, the Board will investigate the circumstances.

If it is found that this person has failed to disclose a related party, the Board may take action against them. This may include a recommendation to members to remove the director for breach of policy.

If a person suspects that a Board member has failed to disclose the related party, they must notify the Board chair/s or Company Secretary or CEO.

## **Audit and Risk Committee Charter (draft)**

### **1. Purpose**

The Audit and Risk Committee is a sub-committee of the Board of Directors of Sydney Gay & Lesbian Mardi Gras (SGLMG). The committee is established under the Board Charter to assist the Board in complying with its finance, audit and risk management obligations under Australian Securities and Investment Commission (ASIC) and Australian Charities and Not-for-profits Commission (ACNC).

SGLMG has adopted a combined assurance approach to risk management, compliance and the establishment of internal audit, control and risk framework, involving contributions from external audit and management coordinated through an internal audit, control and risk function.

The objectives of the Committee are to assist the Board in fulfilling its responsibilities relating to financial and management accounting and financial reporting of the Company as well as oversight of the risk management system and practices.

This Charter should be read in conjunction with the Corporate Governance Manual and Risk Policy.

### **2. Authority**

The committee has no authority to make decisions on behalf of the Board, to approve financial expenditure or commit the organisation to activities or undertakings not otherwise approved by the Board. The committee provides advice to the Board relating to decisions in accordance with this Charter, and other functions as may be delegated to it by the Board from time to time within its remit.

The committee may examine any matter in relation to its role and responsibilities, either on its own initiative or at the request of the Board.

In fulfilling its role and responsibilities, the committee has the authority to:

- (i) Request attendance of management at committee meetings and/or provide information or advice; and
- (ii) seek advice from independent external consultants, subject to the Board's approval.

### **3. Roles and Responsibilities**

Oversee and monitor compliance with laws, regulations, contractual obligations, ethical requirements and internal policies

Review the proposed annual budget assessing the alignment to strategy and the appropriateness of underlying assumptions

Review and monitor the integrity of financial reports and make recommendations to the Board

Review the financial policies adopted by management and monitor the exercise of delegations

Review the audited financial statements before presentation to the Board, to ensure they represent a true and fair view of the financial position and cash flow

Review and make recommendations to the Board regarding significant financial and reporting issues

Oversee the establishment and implementation of a system of internal controls, including over external parties such as contractors and advisors, ensuring it is sound and effective

Oversee internal and external audit activities

Annually consider the appointment of the external auditor and the procedures for selection and appointment.

Review and approve the terms of engagement and fees of the external auditor

Review and approve the audit scopes, plans and approaches

Review results with the external auditor and discuss the adequacy and effectiveness of internal controls

Resolve any disagreements between management and auditors and monitor the implementation of audit recommendations

Annually review the adequacy and appropriateness of insurances and premiums.

Reviewing the risk appetite statement and tolerances to relevant categories of risk

Ensuring an appropriate risk management framework including a sound and effective approach has been followed in the development of risk management plans

Overseeing and approving risk management practices and ensuring an effective infrastructure to manage all identified risks (financial, strategic, regulatory, technology, people, environment, reputation and other)

Monitoring the risk profile for current and emerging risks of all types including the interrelationships between risks

Monitoring SGLMG's risk management capabilities including reviewing the implementation of risk management policies and procedures for compliance and effectiveness

Assessing internal processes for determining and managing material operational risks

Approving and reviewing risk management and crisis management plans and policies

#### **4. Members and attendees**

The Board will appoint committee members recommended by the People and Nominations Committee through a selection process. Tenure will be for a period of two years and the committee member may nominate again.

The committee will consist of at least one director with appropriate qualifications and experience. The chair will be a director but not be the chair of the Board.

Other members of the committee may be directors or other persons with appropriate qualifications and expertise to undertake the responsibilities of the committee. At least two members will be independent.

Invitees may include the Chief Financial Officer, or equivalent, external auditor or others as the committee requires to fulfil its responsibilities. Invitees may take part in discussions but have no voting rights.

#### **5. Meetings**

The committee will meet at least four times a year and hold extra meetings as required. Any request for a meeting with the external auditors must be met.

A quorum will be more than half the members.

The notice and agenda of a meeting will include relevant papers and must be made available at least one week prior to the meeting date.

Meetings will mostly be face-to-face. They may be virtual if agreed to by all members.

#### **6. Code of Conduct**

Committee members will abide by the SGLMG Board Code of Conduct.

#### **7. Conflicts of interest**

Committee members will abide by the SGLMG Conflict of Interest policy. Committee members will be invited to disclose interests at the start of each meeting.

## **8. Secretariat duties**

The company secretary, or another appropriate designated person will act as secretary to the committee.

The secretary will assist the chair to develop and distribute the agenda, papers, minutes and calendar.

## **9. Committee procedures**

Written resolutions: The committee may pass resolutions without holding a meeting in the same manner as is prescribed by the SWP Board charter.

Voting: Any matters requiring decision generally will be decided by consensus. If consensus is unable to be achieved the matter will be referred to the Board. Directors are eligible to vote on committee matters. The committee should engage in open negotiation to resolve matters.

## **10. Minutes**

Minutes must be prepared, approved by the chair and circulated to members within two weeks of a committee meeting. The minutes must be ratified and signed by the chair at the following meeting.

## **11. Reporting to the Board**

The chair of the committee is to report to the Board following each committee meeting. A copy of the minutes may be distributed along with other supplementary material including recommendations requiring Board action or approval.

The chair will organise information relating to the committee for inclusion in the annual report.

The chair has the discretion to escalate issues to the Board where:

- It is not clear that the committee has the authority to act
- The committee is unable to agree on a specific matter
- The chair decides it appropriate to advise the Board of the issue.

## **12. Induction of new members**

Committee members will undertake an induction program. Each new committee member is to receive a copy of the charter, the code of conduct, a copy of the latest strategic plan, annual report and all material previously provided to the committee on matters still before the committee. They will meet key staff.

It is the responsibility of the committee chair to ensure that all new members sign the code of conduct and confidentiality agreement and provide copies to SWP for record keeping purposes.

## **13. Committee Reviews**

The committee will review its performance on an annual basis.

The committee should review its charter and its composition annually to ensure that it remains fit and appropriate.

## **14. Intellectual property**

All objects created as part of the committee's work are owned by SWP.

## People and Nominations Committee Charter (Draft)

### 1. Purpose

The People and Nominations Committee is an advisory committee of the Board of Directors of Sydney Gay and Lesbian Mardi Gras (SGLMG), which has been established under clause 12.1 of SGLMG's Constitution to assist the Board in discharging its responsibilities with regards to Executive appointment and effectiveness, Board (vacant positions) and Committee appointments and effectiveness, Company structure and reward matters.

The People and Nominations Committee is to provide advice and recommendations to the Board on appointments within SGLMG (Executive and Director), develop policies and processes in relation to appointment, carry out or implement processes as relevant to the committee, assist in the development of charters and related committee resources and monitor the effectiveness of the Board and its Committees.

The Board approves recommendations by the Committee.

The People and Nominations Committee performs such functions as may be delegated to it by the Board from time to time.

### 2. Members and Attendees

The People and Nominations Committee will consist of at least 5 members and no more than 10 members and consist of:

- At least one Board representative
- At least one Co-Chair of the Board
- The Company Secretary (or a staff member providing secretariat support)
- The Chief Executive Officer (or another Executive staff member)
- Between two and six diverse representatives selected from an independent recruitment process with the necessary skills and experience (External Members)

The Co-Chairs of the Committee will be a Board representative, as decided by the Board but not a Co-Chair of SGLMG, and one External Member selected by majority vote of the Committee's External Members.

Other members of SGLMG management and subject-matter experts with relevant experience may be invited to attend meetings of the People and Nominations Committee from time to time on the invitation of the Committee Chair(s) as agreed with the Committee.

The term for External Members is two years from the date of appointment with an option to apply for a second term.

SGLMG management will act as convenors of meetings of the People and Nominations Committee and will work with the Committee Chair to agree meeting dates, compile agendas and communicate internally and externally as required.

### 3. Roles

The People and Nominations Committee is responsible for:

- 3.1 Executive Appointment: The Committee will DEVELOP and RECOMMEND the process to select the SGLMG Chief Executive Officer and recommend to the Board the appointment and contractual terms of the SGLMG Chief Executive Officer.
- 3.2 Elected Directors Evaluation Process: The Committee will DEVELOP and RECOMMEND the election selection criteria process to assure members that candidates have the broad commercial experience and other desirable qualities required.

- 3.3 Director and Board Associate EOI Appointments: The Committee will DEVELOP and RECOMMEND the process to select Director for the purposes of vacant positions and Board Associate appointments.
- 3.4 Committee Appointments: The Committee will DEVELOP and RECOMMEND the process to select appointments to other Committees of the Board.
- 3.5 Succession Planning: The Committee will RECOMMEND to the Board succession planning strategies for both the CEO and Board.
- 3.6 Company Structure: The Committee will REVIEW the Company's Organisational Chart and headcount as per any delegation framework and REPORT to Board. This is a joint activity with the CEO, who will recommend their proposed structure to the committee for review.
- 3.7 Committee Governance: The Committee will DEVELOP and RECOMMEND to the Board the Charters and Terms of References for committees and working groups, for its approval
- 3.8 Board Effectiveness: The Committee will DEVELOP and RECOMMEND the process to measure and monitor the effectiveness of the Board and governance framework (Committees and Working Groups).
- 3.9 Performance and Reward: The Committee will DEVELOP and RECOMMEND to the Board for approval the process to measure and the performance of the company and CEO, and ensure proper process has been followed in approving CEO remuneration arrangements.
- 3.10 Performance Reviews: The Committee will ENSURE proper performance review processes are in place for both Board and Operational levels and that they are completed as required.
- 3.11 External Benchmarking: The Committee will BENCHMARK employee rewards and benefits against comparative NFP and commercial organisations at times as agreed between the Board and the Committee.
- 3.12 Other duties: The Committee will complete, implement or execute other duties and responsibilities as delegated by the Board or as approved within the committee's annual Work Plan.

#### **4. Meetings**

At least one week's advance written notice of a meeting must be provided to members of the People and Nominations Committee, unless all members agree that a meeting may be held on shorter notice.

A quorum for People and Nominations Committee meetings will be constituted by the presence of at least three People and Nominations Committee members, including at least one Director appointed by the SGLMG Board to act as a member of the People and Nominations Committee and one External member.

#### **5. Schedule**

The People and Nominations Committee will sit bi-monthly, preferably in person, two weeks prior to meetings of the Board and at a time made in agreement with the CEO and Chair. More frequent meetings may also be held as determined by the Chair and CEO if needed or between the Chair and Board Co-Chairs if the matter relates to the CEO.

The People and Nominations Committee must sit at least 6 times a year and may sit virtually as required.

#### **6. Work Plan**

The Board approved Work Plan will be circulated to all committee members prior to the first sitting of the Committee, including details of proposed projects, timelines and delegations as aligned with the Strategic Plan. The Committee may review the Work Plan and update it with Board approval.

## 7. Committee Procedures

**Written resolutions:** The Committee may pass resolutions without holding a meeting in the same manner as is prescribed by the SGLMG Board charter.

**Voting:** Any matters requiring decision generally will be decided by consensus. If consensus is unable to be achieved the matter will be decided by a majority vote or referred to the Board. If a matter is referred to the Board, Directors and Board Associates are eligible to vote on committee matters.

The Committee is strongly encouraged to resolve matters before escalating to the Board.

**Reporting:** The Committee through its Chair(s) will update the Board on its activities and material matters considered by the committee via a written report as prescribed in Schedule 1 to be included in the Board's meeting papers.

The Chair(s) has the discretion to escalate issues to the Board where:

- It is not clear that the Committee has the authority to act
- the Committee is unable to agree on a specific matter
- the committee has resolved to present two options to the Board for consideration (rather than agree)
- the Chair decides it appropriate to advise the Board of the issue.

The minutes of the committee meeting will be provided to the Board for noting. Where a Board decision is required a paper must be written from the committee to the Board.

The paper should reference the specified duty in the committee Terms of Reference and contain clear resolutions. Where a paper is to be presented to the Board, an External member from the Committee, as nominated by the Committee may attend the Board meeting to speak to the paper.

**Agenda:** An agenda for the meeting must be circulated with any associated committee papers prior to the committee meeting. The agenda will form the basis for which the minutes will be recorded.

**Minutes:** The minutes must be prepared and circulated to the members promptly post each meeting.

The minutes must be ratified either by circular resolution or at the next meeting of the committee. The minutes of the People and Nominations Committee are subject to audit by the external auditors and must be available 30 days prior to the commencement of the audit.

**Terms of Reference:** The Committee will review these Terms of Reference annually, with any proposed changes recommended to the Board for approval.

**Conflicts of interest:** Committee members and advisors will be invited to disclose conflicts of interest at the commencement of each meeting. Ongoing conflicts of interest need not be disclosed at each meeting once acknowledged. Where members or invitees are deemed to have a real or perceived conflict of interest, they will be excused from committee discussions on the issue where a conflict exists. The Company Secretary is to keep registers of declared interests.

**Code of conduct:** Committee members and advisors will abide by the SGLMG Code of Conduct and will be provided with a copy to sign before commencing committee work.

**Confidentiality Agreement:** All Committee discussions including any objects created as part of the committee's work should not be disclosed to any third party without permission by the Committee or the Board. Committee members will be required to complete a non-disclosure agreement as provided by the Company Secretary.

**Intellectual property:** All objects created as part of the Committee's work are owned by SGLMG.

## 8. Committee Nomination Procedure

The Committee is responsible for identifying candidates through a public EOI process with required skills and/or experience for the People and Nominations Committee.

The People and Nominations Committee will recommend to the Board the process to identify and select committee appointments to be carried out by the Board. Diversity of Committee members should be considered throughout the nomination procedure.

This part should be amended to include the process once approved by the Board.

#### **9. Induction of new members**

Each new Committee member is to receive a copy of the Charter, the Code of Conduct, the Confidentiality Agreement, the latest Strategic Plan, Annual Report and all material previously provided to the committee on matters still before the committee, New members are then to meet key staff.

It is the responsibility of the Committee Chair to ensure that all new members sign the Code of Conduct and Confidentiality Agreement prior to commence work with the Committee. Copies are to be provided to SGLMG for records keeping purposes.

#### **10. Reviews**

The People and Nominations Committee will recommend the process to review the performance of committees on an annual basis.

Training needs will be monitored by the Committee Chair.

The Committee must review its Charter and its composition annually to ensure that it remains consistent with the Board's objectives and responsibilities.

The Board will consider the Committee's review and either approve or further review the Committee's Charter and/or composition.

## Delegations Manual

Issue No: 4.0  
Dated Issued: 2 March 2020

### OUR VISION

Our vision is to be a global leader in the promotion of diversity, inclusion, equity and social justice through culture, creativity and partnerships.

### OUR MISSION

We exist to develop the Sydney Mardi Gras for the benefit of Sydney's LGBTQI community, the enjoyment of a wider audience and as a global beacon of diversity, acceptance and LGBTQI pride.

We do this through:

- Providing the opportunity for LGBTQI individuals and groups to use the Sydney Gay and Lesbian Mardi Gras as a statement of pride and to promote a broader message of diversity and acceptance
- Anchoring the Parade in a broader program of cultural and social activities for the enjoyment of local audiences and to attract visitors to Sydney
- Providing resources and opportunities to our community for creative and political expression
- Embracing individuals and groups from the broader community who share our vision
- Constantly improving creativity and production values on our events, including bringing the world's best artists, thinkers and entertainers to Sydney.

### OUR VALUES

- **Respect:** We support a working environment where all (staff, volunteers, community, partners and stakeholders) are treated with civility, respect and fairness
- **Equity:** We treat everyone equally regardless of gender, sexuality, age, race or ability and commit to fostering a diverse organisation
- **Integrity:** We embrace the highest standards of professional conduct and uphold a culture of honesty and trust
- **Responsibility:** We are responsible and accountable for fulfilling our commitments
- **Creativity:** We are committed to promoting excellence in creativity and innovation in our endeavours.
- **Working with our communities:** We are deeply rooted in our communities. Members of our communities, including a range of LGBTQI partner organisations, are engaged in all aspects of our operations.
- **Celebrating diversity and inclusion:** Our annual Festival remains the primary means of celebrating the diversity and inclusion of our communities. Our annual Parade promotes visibility of communities locally, regionally and globally.
- **Changing lives:** Our annual Festival and other events held throughout the year provide opportunities for individuals to connect with peers, reduce isolation and instil pride in identity. The Festival provides a platform to our communities for creative and political expression.
- **Building and maintaining strong relationships:** Our operations and activities are informed by meaningful collaboration with LGBTQI communities and other stakeholders.
- **Honouring our history:** We are committed to honouring and preserving the history of Sydney Gay and Lesbian Mardi Gras, including the courage of our elders and early activists, for the benefit of current and future generations.
- **Ensuring safety and wellbeing:** We are committed to ensuring the safety and wellbeing of staff, volunteers, contractors, Festival artists and participants and the wider community in all our events and operations.

## Introduction and General Principles

This manual covers delegations given by the Board of Sydney Gay and Lesbian Mardi Gras Ltd (SGLMG) and by the Board of Mardi Gras Arts Ltd (MGA) to employees of MGA who provide services to MGA and to SGLMG under the Intra-group Services Agreement between SGLMG and MGA. The manual also describes the matters that each company has reserved to its Board.

## Matters reserved to the Board

Each Board has reserved to itself certain functions that require Board approval. These functions are:

- (a) those functions specifically listed in Schedules 1, 2 and 3 as requiring Board approval; and
- (b) the functions listed in Schedule 4.

## Delegation to CEO

Each company has delegated to the CEO the day to day management of the business and affairs of that company, subject to any matters reserved to the Board, and subject to any restrictions set out in Schedule 1, 2 and 3.

## Specific delegations

Schedules 1, 2, and 3 set out specific delegations relating to human resources, financial and operational functions necessary for the daily operation of SGLMG and MGA.

## Delegation levels

There are three levels of delegate: Category A, Category B and Category C, with Category A being the highest, and Category C being the lowest. Any delegate in a higher category can exercise any function delegated to a lower level. This means that the CEO (Category A delegate) can exercise any function shown as exercisable by a Category B or Category C delegate, and a Category B delegate can exercise any function shown as exercisable by a Category C delegate.

The Board can exercise any function (including any delegated function).

## Schedule 1 – Human Resources Delegations

Those staff holding Human Resources delegations should ensure that they are familiar with any legislation or awards relating to the staff they supervise. This schedule of delegation cannot remove or reduce any legal entitlements arising from awards or acts.

## Schedule 2 – Financial Delegations

Financial delegations vary according to the amount of delegation and attached to a position. At all times staff with financial delegations must ensure that funds are spent with regard to best value and that necessary approvals to proceed with project have gained.

## Schedule 3 – Operational Delegations

This schedule relates to delegations of an operational nature. All operational delegations are subject to any financial authority limits set out in the Financial Delegations (eg a Category B delegate can approve entry into performance agreements with supporting artists or performers, but only where the value of that agreement does not exceed that delegates financial delegation (ie \$25,000)).

## General principles

- Staff with delegations are reminded of their responsibilities to exercise their delegated powers in an accountable and equitable manner consistent with the law, the SGLMG / MGA Code of Conduct and SGLMG / MGA's Policies and Procedures. When performing functions, staff should be aware of whether they are performing the function on behalf of SGLMG or on behalf of MGA, and should comply with any conflict management policies in place.
- The principles of hierarchical supervision should be applied in all delegations. An employee should not authorise human resources or financial delegation in respect to themselves or another employee at the same or higher level.
- These delegations attach to the position rather than the position holder. A person acting in a position assumes the delegation that attaches to the position. Unless specifically allowed by

contract, contract staff cannot hold delegation, even when occupying a position that does have delegation.

- Where no delegation exists the SGLMG / MGA Board remains the consent authority.

### **Review of these Delegations**

The delegation authorities contained in this manual shall be reviewed whenever there is a material change to the company structure, executive management or at least every year from the date of approval.

**Schedule 1: Human Resources Delegations**

<b>Group A</b>	Chief Executive Officer
<b>Group B</b>	Executive Producer / Business and Finance Manager
<b>Group C</b>	Manager / Executive Officer

Function	Level of Delegation	Relevant Documents
<b>1. ALLOWANCES:</b>		
To approve:		
A. TRAVELLING/MEAL ALLOWANCE Travelling and/or meal allowances, expenses, etc.	A	
<b>2. EMPLOYMENT:</b>		
Employment of persons in approved positions (except for CEO)	A	
Employment of CEO	Board	
<b>3. ATTENDANCE:</b>		
A. To vary the hours of attendance in individual cases of employees whose working hours are not covered by an agreement	B	
B. Direct an employee to work standard hours	B	
<b>4. COMMENCING RATES OF PAY:</b>		
To approve commencing rates of pay:		
A. At the minimum rate for the position	A	Minimum rate is to be determined by the CEO after consultation with the elected HR contractor prior to any recruitment in relation to the position.
B. At any point above the minimum rate for the position having regard to: - The applicant's skills, experience and qualifications - The rate required to attract the applicant; and - The remuneration of existing staff performing similar work	Board	
<b>5. COMPENSATION FOR LOSS OR DAMAGE TO PRIVATE PROPERTY OF EMPLOYEES AND VOLUNTEERS:</b>		
To approve of compensation being paid for loss of or damage to private property or personal effects of staff:		
Less than \$500	B	
More than \$500 (up to any applicable financial limits in Schedule 2 or in Schedule 4)	A	

Function	Level of Delegation	Relevant Documents
<b>6. COURSES, CONFERENCES, SEMINARS, MEETINGS:</b>		
A. To approve employees attending courses, conferences, seminars and schools (up to a maximum of 10 days) within Australia	A	
B. To approve the payment of course fees following the successful completion of a stage of an accepted study course.	A	
<b>7. DISCIPLINE:</b>		
A. To instigate an investigation for alleged misconduct.	A	
B. Appointment of a person to conduct an investigation.	A	
C. To approve action to take after considering the results of an investigation	A	
<b>8. ORGANISATIONAL STRUCTURE:</b>		
A. To approve organisational structure that falls outside annual approved budget cycle.	Board	
B. To approve of the creation of positions.	A	
C. To delete positions as part of an approved organisational review.	A	
<b>9. LEAVE MATTERS:</b>		
To approve the granting of:		
A. EXTENDED LEAVE (i) Extended leave to employees, subject in all cases to leave being due	A	National Employment Standards
(ii) Incidental extended leave to make up deficiencies in annual leave and sick leave to maximum of 10 days	A	
(iii) The re-credit of extended leave where an officer or temporary employee produces a medical certificate that they have been ill whilst on leave	A	
B. COMMUNITY SERVICE LEAVE To approve the granting of eligible Community Service Leave. Eligible Community Service Leave includes jury service, voluntary emergency management activities and military leave.	C	National Employment Standards
C. LEAVE WITHOUT PAY To approve the granting of leave without pay to an employee	A	
D. PARENTAL LEAVE (i) To approve the granting of parental leave to employees (ii) To approve the extension of parental leave for a further period of 12 months (iii) To approve the transfer of a female employee to a safe job	A A A	National Employment Standards

Function	Level of Delegation	Relevant Documents
<b>E. FLEXIBLE WORKING ARRANGEMENTS</b> To approve a request for flexible working arrangements	B	National Employment Standards
<b>F. ANNUAL LEAVE</b> To approve the granting of: <ul style="list-style-type: none"> <li>(i) Annual leave to employees subject in all cases to the leave being due and necessary relief being available</li> <li>(ii) An employee accruing leave in excess of 30 days</li> <li>(iii) To direct an employee to proceed on available annual leave</li> <li>(iv) The re-credit of annual leave where an employee produces a medical certificate that they have been ill whilst on leave</li> <li>(v) The re-credit of annual leave where an employee resumes duty early or varies the period of leave</li> </ul>	C  A  A  A  A	National Employment Standards
<b>G. PERSONAL/CARER'S LEAVE AND COMPASSIONATE LEAVE</b> To approve the granting of personal/carer's leave and compassionate leave to employees who are entitled to: <ul style="list-style-type: none"> <li>(i) 2 days of paid compassionate leave on each occasion</li> <li>(ii) 2 days of unpaid carer's leave on each occasion</li> <li>(iii) Up to 10 days of personal/carer's leave per annum</li> </ul> To approve of staff being required to furnish medical certificates where the incidence of sick leave is considered to be excessive. To approve personal/carer's leave for an employee for a continuing period greater than 1 month.	C  B  A	National Employment Standards
<b>H. ACCIDENT LEAVE</b> The granting of accident leave to employees where a worker's compensation claim has been accepted by the company's insurers.	B	
<b>I. TIME OFF IN LIEU</b> <ul style="list-style-type: none"> <li>(i) For an employee</li> <li>(ii) Where an employee has an annual leave balance in excess of 30 days</li> </ul>	C A	
<b>10. PART-TIME WORK:</b> To approve employees working part-time, varying weekly hours/days worked, or the working of additional hours/days.	B	
<b>11. RESIGNATIONS:</b> To accept the resignation of an employee subject to it being in writing and signed by the employee. To approve CEO salary reviews and incentive payments	B	

Function	Level of Delegation	Relevant Documents
<b>12. SALARY REVIEWS &amp; INCENTIVE PAYMENTS:</b>		
A. To approve broad incentives and remuneration model and policies.	Board	
B. To approve salary reviews and incentive payments in line with the Board approved policy (other than CEO), provided the conduct and manner of the performance of duties are regarded as satisfactory.	A	
C. To approve salary reviews and incentive payments outside of policy limitations.	Board	
<b>13. POSITION DESCRIPTIONS:</b> To approve of variations to a position description where no salary variation is involved.	B	
<b>14. SUSPENSION FROM PAYROLL:</b> To approve the suspension from payroll of staff that have exhausted all available leave entitlements or who have proceeding on unauthorised absence.	B	
<b>15. SUSPENSION OF EMPLOYEES:</b> To approve the suspension of employees from duty.	A	
<b>16. TERMINATION OF EMPLOYEES:</b>		
A. Within 6 months of employment for any reason	A	
B. Following 6 months of employment for any reason (in accordance with any directions from HR consultant)	A after consultation with HR Consultant	
C. In times of organisational restructure for reasons of redundancy (in accordance with any Board directions)	A after consultation with Board	
<b>17. REDUNDANCY PAYMENTS:</b> To approve payment or redundancy and/or other employee termination payments beyond payment of leave entitlements and/or notice period	Board	
<b>18. TEMPORARY EMPLOYEES:</b> To approve the temporary employment of persons through an approved agency to perform work on a casual basis that cannot be performed by existing staff, subject to availability of funds.	B	
<b>19. TRAVEL:</b>		
A. To approve of employees travelling intrastate and interstate where such travel is in the performance of official duties.	A	
B. To approve of employees travelling overseas where such travel is in the performance of official duties.	Board	

Function	Level of Delegation	Relevant Documents
<b>20. WORKING FROM HOME:</b>		
A. Approve employees working from home on an occasional basis (maximum single duration of 1 week), subject to the provisions of a safe working environment, including the provision of equipment.	B	
B. Approve Working From Home Agreements for employees for periods of working from home in excess of 1 week (single duration).	A	
<b>21. OTHER ENTITLEMENTS:</b> To approve taking entitlements under relevant legislation or agreements that are not listed in this schedule.	A	

**Schedule 2: Financial Delegations**

<b>Group A</b>	Chief Executive Officer
<b>Group B</b>	Executive Producer / Business and Finance Manager
<b>Group C</b>	Manager / Executive Officer

Function	Level of Delegation	Relevant Documents
<b>1. Authority to incur expenditure within approved budgets:</b>		
<b>Over \$250,000</b> Over \$250k requires tender	Board	
<b>Up to \$250,000</b> Over \$50k requires 3 quotes	A	
<b>Up to \$25,000</b>	B	
<b>Up to \$2,500</b>	C	
Write off of outstanding debts	Board	
Capital purchases in excess of \$5k over agreed budget	Board	
<b>2. Authority to incur expenditure outside approved budgets:</b>		
Over \$25,000	Board	
Up to \$25,000	A	
<b>3. Authority to waive requirement for 3 quotes in special circumstances</b> (in accordance with any directions from Treasurer)	A after consultation with Treasurer	
<b>4. Authority to allocate and re-allocate funds:</b>		
A. Vary budget	Board	
B. Re-allocate funds between cost centres	A	
C. Re-allocate funds within cost centres	C	
<b>5. Approval of investments and loans:</b>		
A. Repayment of loans (including interest charges)	Board	
B. Lodgement of Investment of funds	Board	
C. Calling-in of investment of funds	Board	
<b>6. Authority to authorise payment for salaries, superannuation, payroll tax, taxes, and government charges and insurances</b>	A	
<b>7. Authority to make payments</b> (for liabilities properly incurred within authority)	A	
<b>8. Authority to open a bank account in the name of the company</b>	Board	

Function	Level of Delegation	Relevant Documents
<b>9. Authority to add/delete signatories to any company bank account.</b>	Board	
<b>10. Authority to issue corporate credit or debit cards</b>	Board	
<b>11. Authority to incur expenditure on corporate credit or debit cards within approved budgets</b>	Approved card holder	

**Please note:**

- A variation which will effectively mean that the total amount is above the limits which you are entitled to authorise will have to be authorised by the manager who has the authority to approve subject to the above limits.
- Under no circumstances will order splitting be allowed to circumvent the above limits. It is clear violation of the delegations and disciplinary action will be taken against the respective individuals.
- Authority to release payment of prior approved expenditure by cheque or electronic funds transfer (EFT) can be undertaken by the Treasurer, Chief Executive Officer or Finance & Administration Manager.

**Schedule 3: Operational Delegations**

<b>Group A</b>	Chief Executive Officer
<b>Group B</b>	Executive Producer / Business and Finance Manager
<b>Group C</b>	Manager / Executive Officer

Note: all Operations Delegations are subject to any financial limits on authority set out in Schedule 2 or in Schedule 4

Function	Level of Delegation	Relevant Documents
<b>1. AGREEMENTS &amp; CONTRACTS</b>		
A. Authority to enter into agreements, contracts and memoranda of understanding with other entities up to \$250,000 in value and not exceeding 24 months	A	
B. Authority to enter into performance agreements with lead artists, speakers or performers	A	
C. Authority to enter into performance agreements with supporting artists or performers (i.e. dancers, musicians, etc.)	B	
D. Authority to enter into sponsorship agreements not exceeding 24 months	A	
E. Authority to enter into sponsorship or other agreements exceeding 24 months and any agreements, contracts and memoranda of understanding with other entities over \$250,000 in value	Board	
<b>2. LICENSING / LEASING OF PROPERTY</b>		
A. Authority to execute a lease not exceeding 12 months	A	
B. Authority to renew a lease and exercise agreed options	Board	
C. Authority to execute a lease for more than 12 months	Board	
<b>3. PARADE</b>		
A. Authority to approve Parade entries within criteria and with no nominated sponsor	B All entries with a nominated sponsor need prior approval by CEO or Partnerships Manager	
B. Authority to approve Parade entries with a nominated sponsor (in accordance with any directions from CEO)	B after consultation with	

Function	Level of Delegation	Relevant Documents
	Partnerships Manager and prior approval by CEO	
C. Authority to approve Parade entries outside of criteria	A after consultation with Events Committee	
D. Authority to decline Parade entries	A after consultation with Events Committee	
E. Authority to determine Parade order	B	
F. Authority to determine broadcast content	B	
G. Authority to discount or waive Parade application fee	A	
F. Authority to intervene Parade during a protest situation		Parade Risk Assessment Documentation
<b>4. FAIR DAY</b>		
A. Authority to approve Fair Day applications (non-commercial)	B	
B. Authority to approve Fair Day applications (commercial or for-profit) (in accordance with any directions from CEO)	B after consultation with Partnerships Manager and CEO	
B. Authority to decline Fair Day applications	B after consultation with Events Committee	
C. Authority to determine Fair Day stall allocation	B	
D. Authority to discount or waive Fair Day application fee	A	
<b>5. FESTIVAL</b>		
A. Authority to approve Festival events	B after consultation with Events Committee	
B. Authority to decline Festival events	B after consultation with Events Committee	
C. Authority to determine Festival calendar	B	
D. Authority to discount or waive Festival application fee	A	

Function	Level of Delegation	Relevant Documents
<b>6. Parties</b>		
Authority to set programming and entertainment goals in accordance with established programming policy	B after consultation with Events Committee	
<b>7. Disputes</b>		
Authority to resolve major disputes in regard to any events	A after consultation with Events Committee	

## **Schedule 4: Board Reserved Powers**

The following matters (including amendments to any such matters) require approval from the relevant Board, except where they are expressly delegated to a Committee of the relevant Board or the CEO.

### **1.1 Financial controls, compliance and risk management**

- (a) Establishment of annual operating and capital expenditure budgets.
- (b) Development of internal financial management policies.
- (c) Approval of financial statements and reports to government, regulatory or government authorities.
- (d) Approval of any significant changes in accounting policies or procedures.
- (e) Establishment of, and changes to, internal control systems and risk management processes.
- (f) Action taken in connection with any legal or other proceeding (including an investigation or inquiry by a regulatory authority) which may have significant consequences for SGLMG.
- (g) Approval of the overall levels of insurance for SGLMG, including directors' and officers' liability insurance and indemnification arrangements for directors.

### **1.2 Appointments**

- (a) Appointments to the Board, including remuneration (if any) and terms of appointment.
- (b) Appointment or removal of CEO, including remuneration and terms of appointment.
- (c) The appointment or removal of the Company Secretary, including remuneration and terms of appointment.
- (d) The appointment or removal of external auditors, including remuneration and terms of appointment.

### **1.3 Policies and delegation of authority**

- (a) The establishment and amendment of substantial policies affecting SGLMG, including Board Charter, or any Charters of Committees of the Board.
- (b) Changes to the membership of any committee of the Board or to its Charter.
- (c) Changes to the authority delegated to the CEO.
- (d) Matters which exceed the authority delegated to the CEO.

### **1.4 Corporate governance**

- (a) Resolutions and related documentation to be put to members in general meeting.
- (b) Approval of announcements and press releases concerning matters decided by the Board.

## **Governance Processes**

### **Meeting Attendance**

Meetings will be held bi-monthly. If a Director does not attend three consecutive meetings without an approved leave of absence, they are to be considered to have resigned from the Board and will cease being a director.

Meetings may be held face-to-face or by electronic means (e.g. telephone or video conference). Face-to-face is the default preference of the Board.

If attending by electronic means a Director will be considered to have been present for the full meeting, unless they specifically advise the Chair and Secretary that they are entering or leaving the meeting.

### **Board Meeting Papers**

Agenda papers and other materials are forwarded electronically to Board members at least five days prior to the scheduled meeting.

Board papers ordinarily include:

- Agenda
- Minutes of the previous Board meeting(s)
- Minutes of sub-committees and other meetings
- Financial reports
- Agenda item-related documents against strategic objectives, such as reports, proposals, project information, significant communication, compliance issues
- CEO report, and
- Board-related documents, such as schedule of events and AGM details.

Sufficient information is provided to the Board so that the Board is able to discuss and make informed decisions as required.

The CEO report identifies:

- Progress and outcomes against the Strategic indicators
- Risk and compliance management
- Feedback and complaints on strategic matters
- Major developments in governance policy matters
- Internal policy issues that may need to be addressed in future policy development
- Report against CEO performance indicators.

### **Meeting Chair**

Meetings will commence at the scheduled time.

If neither the Chairs are present, provided there is a quorum of Directors the meeting can commence. These Directors present will nominate one of themselves to Chair the meeting.

The role of the Chair is to control the meeting. In fulfilling this role, they can delegate the functions they choose to others in the meeting. If the Chair does not consider the matter is relevant to the agenda of the meeting, they can stop or defer the discussion to another time.

### **Voting**

The Board has committed to consensus decision-making. Voting can be avoided by allowing appropriate time (including additional meetings) to discuss matters that do not have the full agreement of the Board. If, after ongoing attempts to resolve a matter or external pressure (e.g. compliance), a consensus decision cannot be reached, the Chair may decide that it is essential to put the matter to a vote.

If this occurs, voting on the resolution is a show of hands to achieve a clear majority. If there are an equal number of votes FOR and AGAINST, the decision is in the negative.

## **Representing SGLMG**

### **Representing SGLMG in the Media**

The CEO and Chairs are primarily responsible for liaising with the media and will negotiate their roles in relation to media comment on a case-by-case basis, depending on their respective skills.

Unless authorised, officers must not present as an official spokesperson of SGLMG to the media or any other organisation or individual.

It is expected that all officers are advocates of SGLMG at all times, and particularly in the instance where controversial matters may be raised.

Officers are responsible for ensuring that they do not post social media content, whether on a personal or a business account, that may reflect adversely on their own professionalism or on SGLMG. If approached on social media by a journalist, the Media Relations policy applies.

Refer to SGLMG's Media Relations Policy for details on media liaison and the Social Media policy on SGLMG personnel participation in Social Media, including rules for engagement and responsibility.

### **Representing SGLMG on Committees**

Board members may represent SGLMG on external committees and in various consultative forums. Decisions on Board members representing SGLMG are made by the Board and the CEO, and may be in addition to, or in place of, a staff member.

Board and staff member representatives are responsible for providing feedback to the Board and staff where relevant on any committees and consultative forums.

### **Representing SGLMG in Advocacy**

Board members, as well as staff, may represent SGLMG in delegations to politicians where this is strategically useful to progressing SGLMG's goal and outcomes, and where Board members and staff hold specific expertise on the subject matter, or where it would otherwise be beneficial to the organisation.

## **Feedback and Complaint Management**

As the legal entity responsible for the organisation, the Board plays a role in the management of feedback and complaints from the community and stakeholders reported by the CEO. Board members are responsible for understanding, endorsing and complying with the Feedback and Complaints Policy.

### **Feedback and Complaints Involving the CEO**

The Board may become involved in managing a complaint from the community, an organisation member or stakeholder where the matter relates to the CEO or the matter requires higher-level decision-making.

Where the CEO cannot resolve the matter, the Board can nominate the Chair, or other Board members to manage the complaint, with or without an independent mediator.

### **Feedback and Complaints Involving a Board Member**

Where there is a complaint involving impropriety of a Board member, or a failure to fulfil their legal or ethical responsibilities, the Board manages the complaint collectively, with the exclusion of the relevant Board member. Reference is made to SGLMG's Constitution that gives the Board the power to address individual Board members and relevant policies.

## Grievance Management

Board members are responsible for understanding, endorsing and complying with SGLMG’s Grievance Management Policy.

### Grievance Management Involving the CEO

In addition to monitoring grievances reported by the CEO, the Board may become involved in managing a grievance from a staff member or Board member where the matter relates to the CEO, the matter requires higher-level decision-making and where the CEO cannot resolve the matter. The Board can nominate the Chair, or other Board members to manage the complaint, with or without an independent mediator.

### Grievance Management Involving a Board Member

Where there is a grievance involving impropriety of a Board member, or a failure to fulfil their legal or ethical responsibilities, the Board manages the complaint collectively, with the exclusion of the relevant Board member. Reference is made to SGLMG’s Constitution that details the disciplinary procedures for individual Board members.

## Communications Process

There is value in the Board and committees meeting with staff to gain a greater understanding of specific matters. Staff members can be invited to board or committee meetings where their expertise is required to assist decision-making. Communications to staff from the Board or its committees are to be directed through the CEO. If a board or committee member wishes to meet with a member of staff outside of a meeting, it is to be pre-arranged through the CEO.

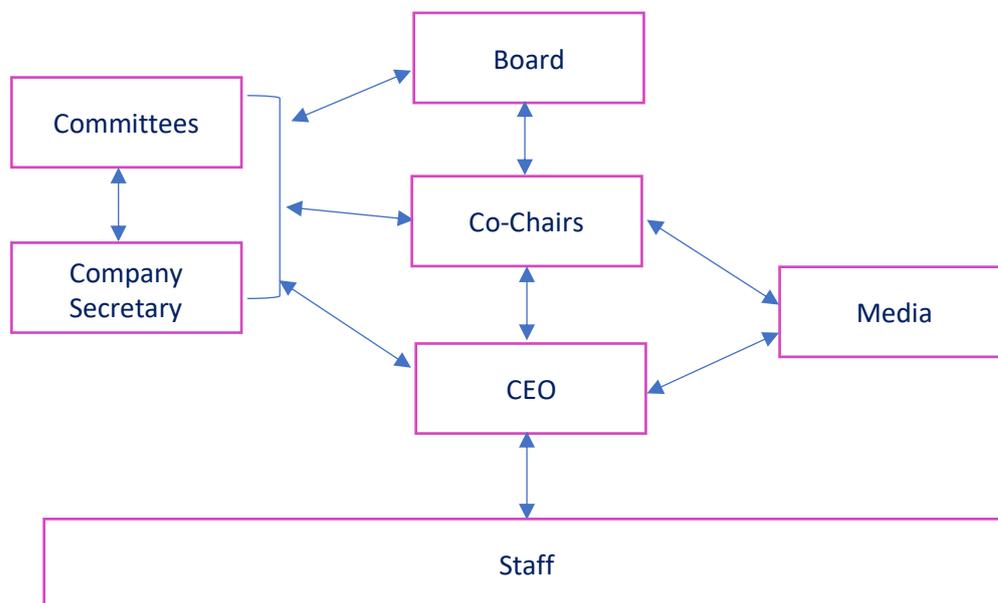


Figure 2: Communication Process

## Templates

### Board Skills Matrix

COMPETENCY	Level of knowledge, skill or experience				
	4	3	2	1	0
*Diversity in all its forms is considered in conjunction with competency.					
<b>1. Community</b> Lived experience in LGBTQi+ communities, capacity to influence, deep understanding of issues, human rights, social justice, campaigning.					
<b>2. Lived experience of Mardi Gras</b> Understanding MG's rich history and its place in MG's modern context, volunteer management, volunteering experience, parade planning, participation.					
<b>3. Governance</b> Understanding the role of the board and modern governance. Knowledge of best practice corporate governance structures compliance, policies and processes and an ability to apply. Qualifications, Board experience, exposure to legal and regulatory frameworks, commercial understanding, not for profit sector, identifying and managing conflicts of interest. Experience as Chair.					
<b>4. Accounting and Finance</b> Qualifications, financial management, budgeting, audit, financial analysis and reporting, taxation and employment legislation, procurement and purchasing.					
<b>5. Human Resources</b> Demonstrated discipline knowledge and experience, change management, recruitment, succession planning, leadership, performance management, conflict management					
<b>6. Risk Management</b> Demonstrated practice of risk management systems, change management, health & safety management, information technology security, privacy & data management, crisis management, qualifications.					
<b>7. Arts/Event Sector</b> Working knowledge, senior experience, understanding of legislation, funding and policy, community engagement, stakeholder relationship management, fundraising					
<b>8. Media, marketing, communications</b> Marketing and communications strategy, crisis communications, privacy laws, member consultation, digital communication, social media, segmentation, asset development and protection					
<b>9. Legal</b> Qualifications, interpretation and application of legislation, alternative dispute resolution, employment and labour law, finance and taxation law, insurance and insolvency law, reputation and defamation protection, intellectual property, data protection, privacy and cybersecurity law					
<b>10. Business Strategy</b> Understanding of what constitutes effective business strategy. Experience in the identification of business opportunities and strategic planning.					
<b>11. Chair</b> Experienced Chair at board or committees. Strength and clarity of purpose. Tact, diplomacy and sensitivity. Ability to reconcile opposing views. Excellent communication skills. Ability to lead including by example. Ability and willingness to constructively challenge and probe. Ability to encourage and get the best from all team members. Power to influence.					
<b>Behavioural</b> Team player, collaborative, independent thinking, integrity, high ethical standards, excellent verbal communication, listening skills					

**4. Extensive:** You are recognised as a significant source of expertise and leadership who is able to lead the discussion, propose innovative strategies and concepts and evaluate approaches.

**3. Advanced:** You are able to provide quality advice and insights and develop comprehensive strategies that are authentic and cognisant of contemporary practice.

**2. Competent:** you have a sufficient level of expertise to confidently contribute sound ideas and solutions in this area.

**1. Basic:** you have a basic understanding and can discuss the implications of suggested changes to processes, policies and procedures.

**0. None:** you possess no experience or knowledge in this area.

**Annual Declaration of Interests**

In line with a director’s legal duty, and compliance with ACNC Governance Standard 5, directors are required to declare any relationships or personal interests that have the potential, or could be perceived as having the potential, to impact on the unbiased and fair decisions or advice provided in the course of their duties. In compliance with the Conflict of Interest and Related Party Transaction policies, I make this annual declaration.

Name of Director:.....



I have nil conflicts to declare.

I have the following conflict/s to declare.

Description of interest:

.....  
.....  
.....

Describe how you will address this conflict:

.....  
.....  
.....

Signature: .....

Date: .....

## Confidentiality Deed

I, \_\_\_\_\_ (“The Recipient”) hereby acknowledge that I have been, or will be, provided with and exposed to information relating to Sydney Gay and Lesbian Mardi Gras. (“Confidential Information”). I accept that all information I receive in my role is assumed to be confidential.

I hereby undertake to:

1. keep the Confidential Information strictly confidential and not disclose any of the Confidential Information to any other person (including associates), without the prior written consent of Sydney Gay and Lesbian Mardi Gras Limited;
2. not use any of the Confidential Information for any purpose other than as authorised by Sydney Gay and Lesbian Mardi Gras Limited in writing;
3. take all necessary action to maintain the confidential nature of the Confidential Information; and
4. immediately notify Sydney Gay and Lesbian Mardi Gras Limited of any suspected or actual unauthorised access, use or disclosure of the Confidential Information.

I also hereby undertake to comply with any and all reasonable directions in relation to the access, use and disclosure of the Confidential Information by Sydney Gay and Lesbian Mardi Gras Limited.

I understand that this agreement continues to apply beyond the term of my appointed role.

The above confidentiality undertakings do not apply if the Confidential Information is public knowledge or if disclosure of the Confidential Information is required by law.

The term ‘confidential information’ extends to all forms of storage or representation of the information referred to including, but not limited to, spoken works and presentations, printed documents, loose notes, diaries, memoranda, drawings, photographs, electronic, magnetic and optical storage, and computer printouts.

Executed by

\_\_\_\_\_  
Recipient Signature

\_\_\_\_\_  
Witness Signature

\_\_\_\_\_  
Name

\_\_\_\_\_  
Name

\_\_\_\_\_  
Date

\_\_\_\_\_  
Date