

## Corporate Governance Statement

### *Board of Directors*

The Company's Constitution provides for at least three directors and such greater number as the directors may determine. The Board currently comprises seven directors, six of whom are non-executive directors.

### *Role of the Board*

The Board:

- provides strategic leadership and direction for CareFlight
- sets Management's goals and approves the annual budget
- progressively monitors and reviews the Company's risk management strategies including the integrity of internal control and management information systems.

The Board may, subject to relevant legislative and regulatory requirements and CareFlight's constitution, delegate a range of functions, powers and duties to committees and Management.

The Board monitors and reviews the Company's compliance with its statutory obligations, not only to meet the Company's legal obligations, but also to provide assurance to the thousands of generous CareFlight supporters that their decision to support CareFlight is making a difference in the community.

### *Chief Executive Officer*

The Board appoints and monitors the performance of the Chief Executive Officer (CEO). The Board approves the terms of employment of the CEO.

The CEO is accountable to the Board for the management of CareFlight within the policy and delegated authority levels approved by the Board. The CEO's responsibilities include:

- advising the Board on strategic direction
- ensuring business activities are in accordance with CareFlight's annual operating plan
- keeping the Board informed of all major business proposals and developments through regular reports
- ensuring the Company conducts its affairs within the law.

### *Board processes*

The Board meets at least six times a year and meets more often as required to address specific significant matters. To assist in the execution of its responsibilities, the Board may establish committees. The Board has established the Audit & Risk Committee, the Investment Committee and the Nominations and Remuneration Committee.

### *Director education*

The Company has a formal process to educate new directors about the nature of the business, current issues, corporate strategy and expectations concerning the performance of directors. Directors also have the opportunity to visit the Company's operational bases and meet Management to gain a better understanding of the business.

### *Independent professional advice and access to company information*

Each director has the right of access to all relevant Company information and to the Company's executives. Subject to prior approval by the Board Chairman or Committee Chairman (as appropriate), the Board, an individual director or a committee may engage an independent external adviser, at the Company's expense, in relation to any Board or committee matter.

### *Composition of the Board*

The names of the directors in office at any time during or since the end of the financial year are set out in section 1 of the annual Financial Statements. The Board is constituted in accordance with the Company's Constitution. The Board will comprise:

- a mix of people with a broad range of skills, qualifications and experience - reflecting the need for talent, commercial acumen and diversity
- at least one person with financial experience - reflecting the need for financial expertise
- at least one person with a medical background - reflecting the medical focus of CareFlight.

No director may retain office for more than three years without submitting for re-election.

### *Remuneration policies*

Subject to the qualification in the next paragraph, the non-executive directors serve in an honorary capacity and no remuneration is payable to them for their services as directors. They are however entitled to reimbursement of any out-of-pocket expenses incurred in the performance of their duties and responsibilities as directors.

The Chairman of the Board receives an allowance in recognition of the time he commits to the affairs of the Company above and beyond the normal role of a board chairman. The Chairman of the Audit & Risk Committee receives an allowance in recognition of the time he commits to the affairs of the Company above and beyond the normal role of a director. In addition, the Chief Executive Officer in his capacity as an executive director received remuneration in his role as a salaried officer. In accordance with the requirements of the NSW Charitable Fundraising Act 1991, these arrangements have been approved by:

- the responsible NSW Government Minister in accordance with Section 48 of the Act
- the CareFlight Board which approved the remuneration package as being on reasonable commercial terms
- a meeting of Members which confirmed the appointment, conditions of service and remuneration of the executive director
- a meeting of Members which confirmed the allowances paid to the Chairman of the Board and the Chairman of the Audit & Risk Committee

The Board considers the remuneration of the CEO and senior management and agrees the broad bands of salary levels for staff in general. The Board may obtain independent advice on the appropriate level of remuneration packages.

### *Investment Committee*

The Board has determined to set aside part of CareFlight's available funds to establish an Investment Fund, the purpose of which is to support the objectives of CareFlight. The Board has approved a policy for the prudent and careful management of the Investment Fund which is set out in CareFlight's Investment Policy Statement. The Board has delegated authority to the Investment Committee to set broad guidelines and strategies for the management of these funds within the approved policy. One of the criteria for selecting investments for the Fund is that the investment must be capable of being liquidated within 12 months, if required to supplement cashflow.

The Committee comprises four directors, three of whom are non-executive directors. The Chief Financial Officer is also a member of the Committee.

### *Nominations & Remuneration Committee*

The Nominations & Remuneration Committee assists the Board in fulfilling its responsibilities for the review of the Board's performance, the selection of new directors, ensuring the Company has appropriate executive remuneration policies in place and formulating a process to ensure there are appropriate procedures in place to recruit and maintain a committed and involved membership base. The Committee also assists the Board in reviewing the performance of the CEO.

The Committee comprises two directors, both of whom are non-executive directors.

### *Audit & Risk Committee*

The primary function of the Audit & Risk Committee is to assist the Board in fulfilling its responsibilities by reviewing the financial information to be provided to Members and other stakeholders and assessing the adequacy of internal control systems, accounting policies and the audit process.

The Committee comprises three directors, all of whom are non-executive directors

The Company's external Auditor, the CEO and the CFO are invited to Committee meetings at the discretion of the Committee.

### *Risk management*

The Board considers that risk management and compliance underpin sound management and that oversight of these matters is an important responsibility of the Board. The Company has developed a risk management plan which has been approved by the Board. The plan identifies the Company's key strategic, operational, legal, reputational and financial risks and provides a framework for the periodic review and assessment of these risks.

The Board requires the CEO and the CFO to provide certification that the Company's financial reports are based on a sound system of risk management and internal control. From a risk management perspective this certification is supported by:

- the financial, operational and strategic reporting which occurs in the context of the Board papers and Board meetings
- the annual audit conducted by the Company's external Auditor
- the review function of the Audit & Risk Committee
- the periodic assessment by the Board of the risks identified in the risk management plan.

#### *Communication with Members*

The principal avenues of communication with Members are through a quarterly newsletter to supporters and the Company website ([www.careflight.org](http://www.careflight.org)). Prior to and for purposes of the annual general meeting, the Company distributes to Members:

- the Annual Report for the Company which includes summarised financial statements
- the audited financial statements.

The external Auditor attends the annual general meeting of Members to answer questions concerning the conduct of the audit, the preparation and content of the Auditor's report, accounting policies adopted by the Company and the independence of the Auditor in relation to the conduct of the audit.

#### *Ethical standards*

Directors and employees are expected to act with the highest ethical standards, having regard to CareFlight's mission and values, its charitable status and its community service ethos.

#### *Conflict of interests*

Directors are required to keep the Board advised on an ongoing basis of any interest that could potentially conflict with those of the Company. Subject to the Corporations Act and the Constitution, directors are required to absent themselves from directors' meetings where matters in which directors have a material personal interest are to be considered.

#### *Code of conduct*

The Board has approved a code of conduct that requires employees to conduct themselves ethically, with integrity and in a professional manner so as to achieve the highest standards of behaviour.

The Board supports and observes the Code of Conduct for Directors issued by the Australian Institute of Company Directors.