



BOARD CHARTER

Purpose of Charter

1. The Board Charter sets out the authority, responsibilities, membership and operation of the Board of Shine Bright EYM (Shine Bright / the Company), adopting principles of good corporate governance and practice, that accord with applicable laws.

Authority

2. The Board derives its authority to act from the Constitution of SHINE BRIGHT and law governing corporations in the jurisdictions in which the Company operates.

Role of the Board

3. The Board is the governing body of SHINE BRIGHT and seeks to represent and serve the interests of kindergartens and the community by overseeing and appraising the strategies, policies and performance of the Company. The Board's role includes protecting and optimising Company performance and setting the Company's values and standards, ensuring stakeholders are kept informed.

Delegation to Committees

4. The Board may establish committees as it considers necessary or appropriate to assist it in carrying out its responsibilities.
5. The Board shall, as a minimum, establish the following committees and shall adopt charters setting out matters relevant to the authority, responsibilities, membership and operation of those committees.
 - Audit and Risk Committee
 - Governance / Policy Committee
6. Other matters of special importance for which Board committees may be established include the consideration of capital strategies, major investments and commitments and the allocation of resources. The powers delegated to these committees should be set out in Board resolutions.

Delegation to Management

7. Management must supply the Board and its committees with information in a form, timeframe and quality that will enable the Board to discharge its duties effectively. Directors are entitled to request additional information at any time when they consider it appropriate.
8. The Board delegates authority and responsibility for the conduct of the Company's business to the Chief Executive Officer who is directly accountable to the Board through established policies and authority levels. Where a Managing Director is appointed, the role of the

Managing Director will include all responsibilities and references to the Chief Executive Officer in all Board Charters.

9. The Executive Management Team is formed of the Managers who meet regularly with the Chief Executive Officer to review the business of the organisation on a timely basis. The details of the executive management team should be included in the Annual Report. The Executive Management Team will comprise of the CEO, Finance and Business Operations Manager, HR Manager and Early Year Managers. The Executive Management Team will report back to the Board as required.

Access to Independent Professional Advice

10. Each Director is able to seek independent professional advice at the Company's expense, with the prior approval of the Chair of the Board. Any such advice received is made available to all members of the Board.
11. The Board may conduct or direct any investigation to fulfil its responsibilities and may retain, at the Company's expense, any legal, accounting or other services that it considers necessary from time to time to perform its duties.

Responsibilities

12. The Board is responsible for setting and reviewing the strategic direction of SHINE BRIGHT and monitoring the implementation of that strategy by Executive Management, including:
 - a) Monitoring the performance of SHINE BRIGHT to ensure that the Company -
 - operates within its budget;
 - has audit or accounting systems (as required) that accurately reflect the financial position and viability of SHINE BRIGHT;
 - adheres to its financial and business plans, strategic plans and corporate plan;
 - has effective and accountable risk management systems in place;
 - has effective and accountable systems in place to monitor and improve the quality and effectiveness of services provided by SHINE BRIGHT;
 - addresses any problems identified with the quality or effectiveness of services provided by SHINE BRIGHT in a timely manner;
 - continuously strives to improve the nature and quality of the services it provides;
 - committees established or appointed by the Board operate effectively
 - b) Appointing and removing the Chief Executive Officer;
 - c) Where appropriate, ratifying the appointment and the removal of senior employees;
 - d) Providing input into and final approval of senior employees development of corporate strategy and performance objectives;
 - e) Reviewing, ratifying and monitoring systems of risk management and internal compliance and control, codes of conduct and legal compliance;
 - f) Approving and adopting Board policies which facilitate and guide the operations of SHINE BRIGHT;
 - g) Monitoring senior employees performance and implementation of strategy;
 - h) Ensuring appropriate resources are available to senior employees;

- i) Approving and monitoring the progress of major capital expenditure, capital management, acquisitions and divestments;
- j) Approving and monitoring financial and other reporting on recommendation of the Audit Committee;
- k) Reviewing and approving the remuneration of the Chief Executive Officer and senior employees;
- l) Appointing, re-appointing or removing the company's external auditors on recommendation of the Audit Committee; and
- m) The Chief Executive Officer is responsible to the Board for the day-to-day management of SHINE BRIGHT.

Board Composition

- 13. a) The size of the Board will be determined in accordance with the SHINE BRIGHT Constitution to ensure efficient decision making.
 - b) The Directors have resolved that, at any given time, the number of Directors shall be more than 3 but no more than 10.
 - c) In complying with 13(b), the Board may at any time by resolution determine the actual number of Directors that comprises the Board. The number may not be reduced in such a way as to remove a sitting Director.
- 14. The Board shall comprise a majority of non-executive Directors.
 - 15. The Board will be comprised of a majority of independent Directors with a broad range of expertise, skills and experience from a diverse range of backgrounds.

Establishment of a skill based Board will aim to include skills, but not be limited to skills in;

- Corporate Governance
- Finance/Accounting
- Law
- Marketing/Public Relations
- Business Management
- Human Resource Management
- Education/Early Years
- Allied Health

- 16. Each Director, in conducting the business of the Board, will act at all times in accordance with the Director Code of Conduct approved from time to time by the Board. As a basic requirement of their office Directors will -
 - a) Act honestly and in good faith
 - b) Use due care and diligence in fulfilling the functions of the office and exercising the powers attached to that office
 - c) Use the powers of office only for proper purposes
 - d) Not inappropriately voice personal opinions outside the Board in relation to its decisions
 - e) Use information acquired as a Board Member only for appropriate and proper purposes (improper purposes would include using information –
 - i) to gain either directly or indirectly any monetary advantage for the Director or any other person, or
 - ii) with the intent to cause detriment to the association)
 - f) Not take improper advantage of their position as a Board Member
 - g) Ensure that personal interests, or the interests of any associated persons, do not conflict with the interests of SHINE BRIGHT
 - h) Be independent in exercising judgment and considering actions and exercise reasonable care in the making of all Board decisions

- i) Ensure the confidentiality of all sensitive information provided to them as Board members and ensure that such information is only disclosed to third parties as authorised by the Board or as required by law
 - j) Not engage in conduct likely to bring discredit upon SHINE BRIGHT
 - k) Comply at all times with the spirit, as well as the letter, of the law, the requirements of the Constitution and the Director Code of Conduct and with the principles of this Charter, and
 - l) Subject only to binding statutory requirements or directives, act in the best interests of the Company and the community it serves.
17. The Board's responsibilities are collegiate and, once decisions are made, Directors must not publicly advocate policies contrary to established Board decisions.

Chair and Deputy Chair

18. The role of Chair and Managing Director, if one is appointed, are to be held by two separate individuals. The Chair must be an independent non-executive Director, and the Managing Director an Executive Director.
19. The Chair must not have been a SHINE BRIGHT Executive Officer in the last 3 financial years.
20. The Chair, in addition to a deliberative vote, is entitled to a casting vote in the case of an equality of votes, and is responsible for:
 - Leadership of the Board;
 - Overseeing the Board in the effective discharge of its supervisory role;
 - The efficient organisation and conduct of the Board's function and Meetings;
 - Facilitating the effective contribution of all Directors;
 - Briefing of all Directors in relation to issues arising at meetings;
 - The promotion of constructive and respectful relations between Board members and between the Board and management;
 - Committing the time necessary to discharge effectively his/her role as Chair,
 - Scheduling regular and effective evaluations of the Board's performance,
 - Acting as primary counsellor to the CEO,
Being the main point of contact and communication between the Board and the CEO, ensuring that the Board's views are communicated clearly and accurately

Chief Executive Officer

21. The Chief Executive Officer is responsible for the day to day management of the company with all powers, discretions and delegations authorised from time to time by the Board.
22. The Chief Executive Officer is to have a formal agreement describing his/her term of office, delegations of authority, duties, rights and responsibilities.

Delegations

23. The Board may, by resolution, delegate any of its powers or functions (other than its power of delegation unless clearly expressed and only where not otherwise prohibited) to -
 - a) a member of the Board, or
 - b) an employee of SHINE BRIGHT by name or by title, or

- c) a committee established by the Board and comprising at least one Director of SHINE BRIGHT, or
 - d) by resolution of the Board, any person or body or SHINE BRIGHT established committee not comprising SHINE BRIGHT Directors or staff that the Board thinks fit.
24. A delegation is revocable at any time by the Board and does not prevent the exercise of the power or function by the Board.
25. Approved delegations are contained in the Board Policy Document – Delegations Manual, which may be amended from time to time by resolution of the Board.

Independence of Directors

26. Directors are expected to bring independent views and judgement to Board deliberations. An independent Director must be independent of management and able to exercise unfettered and independent judgement, free of any business or other relationship that could materially interfere with the Director's ability to act in the best interests of the company.
27. In assessing whether the Director is independent, the Board has regard to the standards it has adopted that reflect the independence requirements of applicable laws, rules and regulations, including the Australian Securities Exchange (ASX) Corporate Governance Principles and Recommendations.
28. The non-executive Directors are to schedule regular meetings at times during the year without the Managing Director present.
29. In determining independence, each non-executive Director is required to make an annual disclosure of all relevant information to the Board, and provide any changes at each meeting of the Board. Any assessment of independence for a non-executive Director who does not meet the independence standards adopted by the Board will be specifically disclosed in a Corporate Governance Statement.

Appointment and Re-election of Directors

30. A review of Board composition and skills is undertaken annually by the Governance Committee using a skills matrix that enables the Committee to assess the skills and the experience of each Director and the combined capabilities of the Board. The results of this review are considered in the context of the SHINE BRIGHT operations and strategy and the need for diversity on the Board. The results of this review are then incorporated into the selection process for new Directors to be appointed by the Board.
31. The Company or the Board may appoint a Director, remove a Director, or do both, by passing a resolution to that effect. The Board may appoint a Director either to fill a casual vacancy or add to their number. All Directors appointed by the Board must have their appointment confirmed by the Company within 6 months of the appointment.
32. When the Board wishes to fill a vacancy on the Board, the Governance Committee shall identify candidates with the appropriate expertise and experience, using external consultants where appropriate. The most suitable candidate is then appointed by the Board.

33. The Company has formal letters of appointment for each of its Directors, setting out the key terms and conditions of the appointment.
34. The Board has resolved that -
 - a) At least one third of Directors (rounded down) or three Directors, whichever is the greater, are required to retire by rotation at each Annual General Meeting.
 - b) Directors retiring shall be first those appointed after the last Annual General Meeting and then those Directors longest in office until the requisite number of retiring Directors is reached.
 - c) Each retiring Director may indicate their preparedness to be re-appointed for a further term and will automatically be nominated for election at the Annual General Meeting.
 - d) Other persons nominating as a Director must complete a nomination form and provide the completed form to the Secretary at least 21 days prior to the Annual General Meeting.
 - e) Where there are more nominations than positions available, an election will be held.
 - f) The term of appointment for Directors is three years.
 - g) No Director may exceed three consecutive terms of office, and
 - h) All newly appointed Directors shall participate in an induction program in the form approved by the Governance Committee.

Director Indemnities

35. Indemnity Insurance will be provided for all Directors of SHINE BRIGHT, paid for by SHINE BRIGHT.

Induction and Continuing Education

36. Management, working with the Board, provides an orientation program for new Directors and new senior Managers. The program includes discussions with management, and reading material. These cover SHINE BRIGHT's Strategic Plans, Board Policies, its significant financial, accounting and risk management issues, its compliance programs, its code of conduct, its management structure, its internal and external audit programs, and Directors' rights, duties and responsibilities.
37. Management periodically conducts additional presentations and tutorial sessions for Directors about SHINE BRIGHT and the factors impacting, or likely to impact, on its businesses. These assist non-executive Directors to gain a broader understanding of SHINE BRIGHT. Directors are also encouraged to keep up to date on topical issues.

Board Meetings

38. A meeting of the Board must be held at least four times in each year at the dates, times and places determined by the Board.
39. A quorum for Board meetings is a majority of Directors, including at least one of either the Chair or the Deputy Chair.
40. Questions arising at Board meetings are determined by a majority of votes of those present and voting and in the event of equality in votes the Chair has an additional casting vote. Voting by proxy is not permitted.

41. Directors may participate in a Board meeting by telephone, closed-circuit television or any other means of electronic or instantaneous communication.
42. Board and committee papers are provided to directors, where possible, seven days prior to the relevant meeting, or as otherwise agreed to.
43. The passing of a Board resolution without meeting may occur by following the procedures set out in paragraph 38 of the Constitution.
44. Special meetings of the Board may be called by the Chairman or CEO acting alone, or by any three or more Directors acting together.
45. In cases of urgency, as much notice as practicable of an urgent meeting must be given to Directors by the quickest means practicable. A resolution at an urgent meeting of the Board must be passed by an absolute majority of the Board, and the only business that may be conducted is that for which the urgent meeting is convened.
46. Directors are expected to prepare, attend and participate at Board meetings and meetings of Committees.
47. The Board believes it is critical for Board members to have materials on topics to be discussed at Board meetings sufficiently in advance of the meeting date and for Board members to be kept abreast of developments between Board meetings.
48. Some on-site visitations may be conducted and Directors would be encouraged to attend.
49. Board members shall have complete and open access to members of management following consultation with the Chair and the Chief Executive Officer.

Board Agendas

50. Board agendas are structured throughout the year to ensure that each significant responsibility of the Board is addressed. This includes the Board's consideration and approval of strategy and the achievement of financial and other goals. This should also include the Board receiving a detailed overview of the performance and significant issues confronting each Kindergarten and to identify major risk elements for review to ensure that assets are properly valued and that protective strategies are in place.

Company Secretary

51. All Directors shall have direct access to the Company Secretary. The Company Secretary is accountable to the Board, through the Chair, on all corporate governance matters.

Ethical Values and Code of Conduct

52. The operations of the Company are driven by the SHINE BRIGHT Mission Statement and Values, and all Values are important to the Company.
53. The Values include the requirements that the business be conducted ethically and with professionalism to achieve the highest standards of behaviour.
54. The Values are reinforced by SHINE BRIGHT's Code of Conduct which requires the observance of strict ethical guidelines.

55. The Code of Conduct applies to all senior managers and employees of SHINE BRIGHT, as well as Directors, temporary workers and other independent contractors and consultants when engaged by or otherwise representing SHINE BRIGHT and its interests. In addition, this Board Charter also governs the conduct of the Board and each Director.

Confidential Information

56. The internal control systems are monitored and employee integrity is fostered to ensure that confidential customer information is not improperly disclosed outside of the Service or used for individual personal gain. The Directors regard the confidentiality of family or employee information as highly important. When the Directors are serving on the boards of other companies and undertaking private transactions, they are to have regard to their confidentiality obligations at all times.

Conflicts of Interest

57. Directors are required to avoid conflicts of interest and immediately inform their fellow Directors should a conflict of interest arise. Directors are also required to advise SHINE BRIGHT of any relevant interest that may result in a conflict.
58. Where a matter in which a Director has a material personal interest is being considered by the Board, that Director must not be present when the matter is being considered or vote on that matter, unless all of the other Directors have passed a resolution to enable that Director to attend but not vote or the matter comes within a category of exception under the Corporations Act 2001.
59. If a significant conflict of interest with a Director exists and cannot be resolved, the Director is expected to tender his or her resignation after consultation with the Chair.

Minutes and Resolutions

60. Minutes of the Board and all of its Committees are to be:
- Presented to the Directors within seven working days of the meeting.
 - The Directors must review and advise of any changes within four working days.
 - Assent received by at least half of the Directors at the end of the four days will provide acceptance of the minutes, unless the Chair considers it appropriate for the minutes to be agreed to by all Directors.
 - The times and details of the issue of the minutes, and confirmation received, are to be recorded with the minutes, and the final minutes are to be filed in the minutes folder once final confirmation is received.

Agenda and Supporting Papers

61. Agenda and Supporting Papers are to be:
- Forwarded to the Directors or Committees a minimum of five working days prior to the meeting, or as otherwise agreed to.

- Any clarification or additional information requests regarding the Agenda or the Supporting Papers should be directed back to the originator of the Agenda and Papers within 2 days.
- Any changes necessary to the Agenda and Papers should be distributed to all recipients.
- Copies of Agenda and Papers should be made available at Board and Committee meetings.

Self Assessment

62. The Board will undertake an annual performance evaluation of itself which:
- a) compares the performance of the Board with the requirements of the Constitution, this Charter and the Act; and
 - b) evaluates the performance of individual Directors by collective peer response.
63. Any improvements to Board procedures or Director performance deemed necessary or desirable as a result of such assessment shall be introduced or attended to by the President.
64. The performance evaluation is conducted in such manner as the Board deems appropriate.

Review of Charter

65. The Board will regularly review this charter and the charters of Board Committees on the recommendation of the Governance Committee to ensure they remain consistent with the Board's objectives and responsibilities, and relevant standards of corporate governance.

Adopted by the Board:

23 September 2019