



CORPORATE GOVERNANCE STATEMENT

MULTIPLE SCLEROSIS AUSTRALIA

ABN 51 008 515 508

A Company Limited by Guarantee Incorporated under the Corporations Act 2001
(Cth)

Registered office: Level 19 Northpoint Building, 100 Miller Street
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Multiple Sclerosis Australia

Governance Overview

INTRODUCTION

Multiple Sclerosis Australia (“MSA” or the “Company”) is a federation of the Australian state and territory based multiple sclerosis societies who are the Members of MSA. It was formed by its founding Members as an unincorporated organisation in February 1972 and registered as a company on 30 January 1975. In April 1999 the Company changed its name from the National Multiple Sclerosis Society of Australia to Multiple Sclerosis Australia. The members and clients of the Members of MSA are principally Australians affected by Multiple Sclerosis (MS).

MSA is a company limited by guarantee. The Company's activities are regulated by the Australian Charities and Not-for- Profits Commission (ACNC), Corporations Law (Cth) as applicable and other Commonwealth and State laws as applicable.

Multiple Sclerosis Australia (MSA) conducts a range of programs and activities on behalf of its members and people affected by multiple sclerosis. It was established to add value and improve communication and coordination amongst its members. It reflects the true concept of cooperative federalism as a peak body.

MSA conducts National Advocacy & Communications and arranges programs or activities which benefit from a national approach as required.

In early 2004, MSA established a new organisation, Multiple Sclerosis Research Australia Limited (MS Research Australia), to focus on increasing research into the cause and improved treatments of multiple sclerosis. MS Research Australia is a wholly owned subsidiary of MSA but functions as an independent organisation with its own Board. MSA is currently the sole member of MS Research Australia. MSA has a minimum of two directors on the Board of MS Research Australia.

The Board of MSA applies sound governance of MSA, reflecting its belief that any shortcomings in governance could jeopardize the Company's reputation and its ability to fulfil its obligations to people affected by multiple sclerosis.

MSA is accountable principally to Members of the Company and then to a wide range of parties or stakeholders with whom it interacts. MSA is directly accountable to Members and through them, to people affected by MS, including carers and families. It is also accountable to employees, volunteers and supporters, sponsors, donors and funding bodies, the Australian and State Governments and the community at large. The Members of MSA are in turn accountable to their members principally people affected by MS.

MSA is committed to conducting its business with the highest standards of personal and corporate integrity. It has adopted a number of principles and policies to pursue the purposes of the Company as set out in the MSA Constitution that are consistent with MSA's Vision, Mission, and Values. These policies and principles include the role of MSA and the standards of personal and corporate behaviour which Directors and employees are required to observe.

THE BOARD

Role of the Board

The Board of Directors exercises the powers vested in it by the ACNC, Corporations Law, and the Company's Constitution.

The Board is directly responsible to Members for the long-term health and prosperity of the Company and its controlled entities. The policies and practices outlined in the Company's Corporate Governance Statement provide the framework which enables the Board's principal role to be achieved whilst ensuring that MSA's activities are conducted ethically and in accordance with the law.

The Board determines the direction of MSA and monitors management's performance on behalf of the Company's Members and various stakeholders.

Role of the President (Chair)

The Board elects the President of the Board. The key internal roles of the Company's President are to:

- conduct effective Board meetings and processes, seeing that the appropriate matters are considered by the Board in a timely and transparent manner
- ensure the Board provides guidance and vision to the Company
- guide the ongoing effectiveness and development of the Board and individual Directors

The main external role of the President is to represent the Board and the Company as appropriate, to its various stakeholders and to chair its legally required annual and other meetings.

Role of Individual Directors

Directors are expected to:

- discharge their duties in good faith and honesty in the best interests of the Company
- make reasonable inquiries to ensure that the Company is operating efficiently, effectively and legally towards achieving its goals
- undertake diligent analysis of all proposals placed before the Board
- bring a local perspective and/or special skills to the Board

Board Composition and Size

The Company's Constitution provides that:

- The number of Directors shall be not less than 9 and not more than 15.
- Each Member is entitled to nominate one Director. If a Member represents more than one State then that Member may nominate a Director from each of the States represented by that Member.
- The Board must nominate one additional person to represent people with Multiple Sclerosis.
- The Board may also nominate additional persons with particular skills.
- The term of each director is one year except for Directors appointed to fill casual vacancies who serve until the conclusion of the next following AGM. Retiring Directors are eligible for re-election except a Director who has held office as a Director for ten (10) or more terms unless approved by Special Resolution by Members in a General Meeting.
- Directors must submit to election at the next general meeting.

All Directors are non-executive directors, independent of management and free from any business, interest or other relationship that could materially influence the exercise of their independent judgement, apart from participating in MS-related Company programs or programs available to all people with MS, or their carers, or others affected by MS through member organisations. Directors may also be Directors of Member organisations.

Avoidance of Conflicts of Interest of Directors

To ensure their independence and absence of conflicts of interest, no person may be appointed as a Director if that person is the Chief Executive Officer or an employee of the Company or a Member.

Any Director with a material personal interest in a matter being considered by the Board must not participate in the consideration or vote on the matter.

Nominations and Appointment of New Directors

Nominations for appointment to the Board are considered by the Board as a whole based on recommendations by the Nominations Committee. The Board's overall skill composition is reviewed annually by the Nominations Committee, as part of their annual work-plan, and reported to the Board as part of its performance review.

The general attributes required of Directors include empathy with people affected by multiple sclerosis, sound business judgement and a performance focus, broad strategic thinking, a collegiate and team playing approach, a philosophical commitment to the objectives of the Company, a willingness and capability to devote the required time to the Board's affairs, and an undoubted reputation and integrity.

Board Access to Independent Professional Advice

All Directors have unrestricted access to Company records and information. The Board has a policy of enabling the Board collectively, and Directors individually, to seek independent professional advice for reasonable Company-related matters at the Company's expense. This is subject to the approval, in advance, of the Chairman, which is not to be withheld unreasonably, and in its absence, Board approval may be sought. Any such advice provided to individual Directors must be shared with the Chairman and the Board.

Directors' Indemnity and Insurance Cover

The Company's Constitution provides an indemnity to Directors. As with other insurable risks, the Company has insured Directors and officers against liabilities incurred in connection with their performance through their position with the Company except for a liability arising out of conduct involving wilful breach of duty or knowing contravention of the Corporations Law.

Director's remuneration

No Directors receive remuneration from the Company. Out of pocket expenses relating to their director activities may be reimbursed by the Company. Some Directors may access MS-related programs from Members from time to time, on the same terms as all other people.

BOARD COMMITTEES

The Board has established standing Committees to assist in the development of Board policies and execution of the Board's responsibilities. These Committees are established to improve Board effectiveness and efficiency where activities require a more concentrated effort and specialist skills and are an efficient use of Board resources. They do not abrogate any Directors from their responsibilities and Committees are obliged to properly inform the full Board of their activities. Any Director is free to attend any meeting of any Board Committee.

All standing Board Committees have at least one non-executive Director as a member, and from time to time may have non-Board directors or management possessing special expertise and experience as members. Relevant members of the management team may, and usually do, attend appropriate Committee meetings. All Committees have a clear charter setting out objectives and responsibilities. All Committees keep proper minutes of their discussions and regularly report to the full Board on their activities and key issues.

At present the Board has three standing Committees namely:

- Executive Committee of the Board (ExCo)
- MSA Audit & Risk Committee
- Nominations Committee

The Board may also establish other committees to assist with specific issues or projects. Individual Committee charters are regularly reviewed by the Board.

The Company's management is accountable to the Board Committees within the terms of the charters of the individual Committees.

Executive Committee of the Board (ExCo)

ExCo is appointed by the MSA Board to provide an interface between management and the Board to act on urgent issues, ensure a 'commercial approach' is maintained, monitor implementation of strategy, monitor performance and provide a forum for considered advice to the Board. ExCo presents all decisions made to the MSA Board at its next meeting for approval.

ExCo comprises 4 directors (including the President) and meets face to face or by teleconference approximately 6 times per year.

MSA Audit & Risk Committee

The Audit & Risk Committees (ARC) role is to assist the Board of Directors of Multiple Sclerosis Australia (MSA) in fulfilling their responsibilities by undertaking:

- oversight of the quality and accuracy of the accounting, auditing, financial reporting and risk assessment & management processes of the company; and
- such other duties as directed by the Board.

The ARC responsibilities are to oversee:

- the accounting and financial reporting processes;
- the audits of the financial statements;
- the performance of internal and external auditors; and
- the processes for assessing and managing risk.

The ARC is directly responsible for the appointment, remuneration, retention and oversight of the external auditor and will perform a detailed review of the external auditor's appointment every 3 years.

The external auditor will report directly to the ARC and may request the Chairman to call a meeting. The external auditor may also request to meet with the board of MSA through the Chairman of the board.

The ARC will determine from time to time the requirements of the organisations and the necessity to implement an internal audit function. Internal audit reports will be submitted directly to the ARC and the internal auditor may request the ARC Chair to call a meeting.

Nominations Committee

The Nominations Committee is appointed and authorised by the Board of Directors of the company to assist the Board in fulfilling its statutory and fiduciary responsibilities. As such, the Nominations Committee exercises the authority and power delegated to it and the power imposed by statute, regulation and/or regulatory authority obligations.

The Nominations Committee assists and make recommendations to the Board on:

- Director selection and appointment practices;
- Board composition and tenure;
- Succession planning for the Board;

to ensure the Board retains a sufficiently wide mix of expertise to fulfil its responsibilities and attracts, motivates and retains highly skilled Directors and executives.

The Nominations Committee must consist of a minimum of three directors. All members of

the Nominations Committee shall be independent non-executive directors of the company. It is appropriate that members of the Nominations Committee have a range of different backgrounds, skills and experiences having a regard to the operations, financial and strategic risk profile of the company.

The Chair of the Nominations Committee will be appointed annually by the Board

Members Executive Co-operative Team (MECT)

The MECT is chaired by the CEO of MSA and comprises the Chief Executive Officers of the state based members and the Chief Executive Officer of MS Research Australia. It provides a forum where Members, MSA and MS Research Australia can agree on programs and priorities and act jointly. The MSA CEO reports to ExCo and the MSA Board on issues considered by the MECT.

REGISTRATION AND COMPLIANCE SUMMARY

Multiple Sclerosis Australia is a company limited by guarantee. Its ABN is 51 008 515 508.

Its status as a Public Benevolent Institution (PBI) was confirmed on 2 July 2001 by the Australian Taxation Office as part of its registration requirements for all non profit entities as was the organisation's status as an Income Tax Exempt Charity and a Deductible Gift Recipient. The Organisation enjoys certain other tax concessions and exemptions consistent with its status as a PBI which relate to Goods and Services and Fringe Benefit taxes.

Multiple Sclerosis Australia maintains charitable fundraising permits and registrations as required by law in each state and territory of Australia as follows:

- New South Wales – Registration number CFN 12677
- Queensland - Registration number CH 1375
- South Australia/Northern Territory – Registration number CCP2450
- Tasmania - Registration number C/10045
- Victoria – Registration number 12906.17
- Western Australia – Registered through The Multiple Sclerosis Society of Western Australia
- Australian Capital Territory – Licence number L19000620

MS Research Australia maintains charitable fundraising permits and registrations as required by law in each state and territory of Australia as follows:

- New South Wales – Registration number CFN12686
- Queensland - Registration number CH1549
- South Australia/Northern Territory – Registration number CCP1167
- Tasmania - Registration number C/10044
- Victoria – Registration number 12815
- Western Australia – Registered through The Multiple Sclerosis Society of Western Australia
- Australian Capital Territory – Licence number L19000619

The external auditor for Multiple Sclerosis Australia is Deloitte Touche Tohmatsu

June 2017