

## PROPOSED STRUCTURE

### General

1. In proposing a substituted structure for the Yeshivah Centre, the Governance Review Panel (**GRP**) has been guided by the following principles:
  - (a) the organisation shall be committed to Halacha and Chabad belief and practice as articulated by the Lubavitcher Rebbe;
  - (b) the organisation shall conduct its affairs in accordance with contemporary standards of governance and in compliance with the laws of Australia;
  - (c) the structure of the organisation shall provide transparency and accountability;
  - (d) the structure of the organisation shall permit the democratic participation of its members without compromising the organisation's religious and cultural values and standards.
2. The GRP proposal involves the establishment of three companies limited by guarantee that will take over the functions of the three existing associations:
  - (a) Yeshivah Centre Limited (**YCL**) – this will be the overarching ‘roof body’ of the Yeshivah Centre and will hold the property interests (most likely through a subsidiary ‘Pty Ltd’ company);
  - (b) Yeshivah-Beth Rivkah Schools Limited (**YBRSL**) - this will operate the “secular” schools;
  - (c) Chabad Institutions of Victoria Limited (**CIVL**) – this will be the general organisational body for the Chabad community of Victoria and will operate the other entities such as the Kollel, Chabad Youth, Ohel Chana and Shules.
3. Each one of the companies will have common features which are set out below.
4. The constitution of each company will contain a preamble regarding the Chabad ethos which will require a 90% majority vote of members to amend, as follows:

## **Preamble**

5. *The mission of Chabad- Lubavitch is, in accordance with the beliefs and philosophy of the Lubavitcher Rebbe, to teach and inspire all Jews to be proud and committed members of the global Jewish community, with lives dedicated to Almighty G-d and true to the values of the Torah as enlivened by the teachings of Chabad Chassidus.*

*The Chabad movement emphasizes education and outreach activities, with the mission of encouraging all Jews to learn more about their Jewish heritage and to act accordingly. The Rebbe issued a call to every Jew, including those not fully committed to a Torah life to do something, to begin with a mitzvah — any mitzvah — as its value is not diminished by the fact that there are others that a person is not prepared to do. Accordingly, Chabad shluchim (“emissaries”) seek to involve and inspire all Jewish people, regardless of their present level of observance, to increase their observance of Torah and Mitzvos in the spirit of Chassidus with the ultimate goal of the revelation of Moshiach.*

*The primary vehicle in carrying out the mission of Chabad- Lubavitch in Melbourne, Australia, is the Yeshivah Centre and its associated organisations and institutions. The Yeshivah Centre commenced its activities with the arrival of the founding families in the years following the Shoah (Holocaust) with the blessing of the then Rebbe of Lubavitch, Rabbi Yosef Yitzchok Schneerson. The community developed under the guidance and direction of his successor the Lubavitcher Rebbe, Rabbi Menachem Mendel Schneerson and his emissaries. Through their leadership the community has established institutions to cater for the spiritual and material needs of the Melbourne Jewish community, regardless of age, affiliation or level of religious observance. The Yeshivah Centre’s activities include schools, synagogues, outreach, youth projects, colleges of higher education and social and welfare services. These institutions were established under the direct auspices of the Rebbe, and shall continue to be committed to and inspired by the philosophy and teachings of the Rebbe, who emphasised the vital importance of true love of fellow Jews and having real care and compassion for every individual.*

*In consonance with its mission, it is a fundamental principle that the religious standards of Yeshivah Centre-Chabad Lubavitch and all its affiliates be in accordance with Halacha (Jewish Law) and the teachings, writings and practices of the Rebbeim of Lubavitch.*

6. The constitution of each company will also contain objects which will require a 90% majority vote of members to amend, as follows:
  - (a) the religious standards of the corporation shall be in accordance with Halacha and Chabad practice as articulated by the Lubavitch Rebbe;
  - (b) the corporation shall be committed to and inspired by the philosophy and teachings of the Lubavitch Rebbe.

***Interim arrangements pending elections***

7. Pending the elections, which should take place within approximately three months of the formal setting up of the companies, there will be interim arrangements for the board of each new company. That will include an initial interim board for each company as follows:
  - (a) two independent board members to be nominated by the “trustees” (by which is meant the members of the existing incorporated associations as at 31 December 2015);
  - (b) two board members who shall have served on the ICOM, or if no such people are available two further board members to be nominated by the trustees;
  - (c) a fifth board member who shall be the chairperson and who shall be chosen by a simple majority of the other four members.
8. After that initial period, the full boards for each company will be put in place. There are differences between the boards of each company. However, all of the company boards will have the following features:
  - (a) each board member must be Jewish according to Halacha;
  - (b) each board must have at least three vocational Chabad Rabbis, that means a Chabad Rabbi who is engaged full-time in a religious vocation such as a pulpit Rabbi or a teacher of Jewish studies (or a Rabbi who has retired from such a position);

- (c) one of the three vocational Chabad Rabbis shall be Rabbi C T Groner who shall be a member of the board of each of the three companies. Rabbi Groner may be removed as a member of the board by 75% majority at a general meeting. His replacement or successor shall be endorsed by a 75% majority of the members at a general meeting;
- (d) each board must comprise a majority of Chabad adherents (including the Rabbi members). To be a Chabad adherent, the person must declare in writing that he or she regards himself or herself as a Chabad adherent with the signed endorsement of a vocational Chabad Rabbi;
- (e) each board must include at least one of each of the following:
  - (i) a lawyer;
  - (ii) a business person or an accountant or finance person;
  - (iii) a person experienced in education or organisation management;(each with at least five years' experience);
- (f) each board may co-opt up to 3 additional board members with particular expertise but who shall not have voting rights;
- (g) each person elected or nominated to the board must sign a declaration of acknowledgment that the organisation is a Chabad institution committed to conducting its religious affairs in accordance with Halacha and the ethos of Chabad;
- (h) the term for board appointments shall be three years. To the extent possible, the appointments will be staggered so that elections arise every 1.5 years;
- (i) paid employees shall be ineligible for appointment to the board of the company in which they are employed. For example, a teacher employed by YBRSL cannot be on the board of YBRSL but can be on the board of CIVL. This will not apply to Rabbi C T Groner;
- (j) a quorum for board meetings will be six board members;
- (k) there will be a minimum of 9 meetings per annum;

- (l) absence from three consecutive meetings or a total of five meetings in one year without leave or cause shall result in vacation of office and permanent disqualification;
  - (m) a person can serve on a board for a maximum of three consecutive terms (other than Rabbi C T Groner);
  - (n) for each company, a requisition for a meeting of members may be made by 25% of the members;
  - (o) in the event that any board has an even number of board members and the board is deadlocked in respect of a matter, the chairperson shall have a casting vote, but not otherwise;
  - (p) the Board of each company shall establish appropriate sub-committees. Some of these are prescribed in the detail of each company below. Each sub-committee must include at least two board members and each sub-committee may co-opt additional sub-committee members with requisite qualifications or experience who shall have no voting rights.
  - (q) a person may not vote or be a candidate for board membership if that person is in arrears of assessed fees or membership fees in the relevant company, however no such disqualification shall apply if the member is in compliance with any agreed payment plan or agreed deferred payment .
9. In order to ensure an appropriate level of continuity of corporate and cultural knowledge, the trustees shall nominate the following board positions for the first three year term only:
- (a) YCL: 2 (out of 10), at least one of whom must be a vocational Chabad Rabbi;
  - (b) YBRSL: 1 independent board member (out of 9);
  - (c) CIVL: 3 (out of 9).
10. The following paragraphs set out the other details for each of the companies.

**Yeshivah Centre Limited (YCL)**

11. YCL will have just two members – YBRSL and CIVL. That is, the members of YCL will not be individual people but the other two companies.
12. The Constitution will permit, at the Board’s discretion, YCL to provide funds (by gift, loan or otherwise) to YBRSL and CIVL.
13. The Constitution will require YCL to provide (through a wholly owned subsidiary, Yeshivah Administrative Services Pty Ltd) exclusively all administrative and support services (e.g. IT, payroll, accounting etc) to CIVL and YBRSL with a corresponding obligation in those companies’ respective Constitutions to acquire those services from YCL. The objective is to have central control and avoid duplication.
14. The Constitution will provide that YCL, through its Board, is to approve the annual operating budget for CIVL with a corresponding provision in that companies’ Constitution requiring it to submit annual budgets for approval by YCL.
15. YCL approval shall be required for the acquisition or disposition of any interest in property (including leasehold interests) by either CIVL or by YBRSL.
16. The board will consist of nine people. Those nine people will appoint (by a three quarters majority) a further member to be the independent chairperson of the board.
17. For the first term only, the nine board members are made up as follows:
  - (a) Rabbi C T Groner;
  - (b) two independent board members nominated by the trustees;
  - (c) three board members nominated by CIVL;
  - (d) three board members nominated by YBRSL.
18. After the first term, the nine board members are made up as follows:
  - (a) three board members nominated by CIVL;
  - (b) three board members nominated by YBRSL;

- (c) Rabbi C T Groner; and
  - (d) two further board members appointed by those six board members and Rabbi C T Groner (by a majority of no less than five of the seven).
19. Each of the board members appointed by CIVL and YBRSL must be appointed by a two thirds majority of the relevant board.
20. The YCL board shall elect from among its board members a deputy chairperson and treasurer.
21. References are made above to “independent” board members. Independent means a person who is not an employee or member of the board of either YBRSL or CIVL and who is free of any relationship that could materially interfere with - or could reasonably be perceived to materially interfere with – the independent exercise of their judgment. A person is not disqualified from being an independent board member of YCL merely by virtue of that person being a parent of a student enrolled at a school operated by YBRSL or merely by reason of that person being a seat holder or attendee of a synagogue operated by CIVL, provided that, so long as the person holds the position of an independent board member of YCL, that person:
- (a) shall not take any role in the administration, management or governance of either YBRSL or CIVL;
  - (b) shall not exercise any right to vote in that person’s capacity as a member of YBRSL or CIVL.
22. There should be the following mandatory subcommittees to oversee not only YCL but also the activities of YBRSL and CIVL:
- (a) Finance and audit;
  - (b) Human resources;
  - (c) Fundraising and marketing;
23. The company must appoint a paid company secretary (full time or part time) who shall also act as company secretary for YBRSL and CIVL.

24. The Board must appoint a Corporate CEO on a fixed term contract. The Corporate CEO is also to be appointed the Corporate CEO of YBRSL and CIVL. The Corporate CEO should be entitled to attend Board meetings of each company unless otherwise resolved. He/she is to have no voting rights. The Corporate CEO shall have responsibility for the corporate and financial management of the companies.

### **Yeshivah Beth Rivkah Schools Limited (YBRSL)**

25. YBRSL will be the ‘secular’ school as required for government funding purposes.
26. The members will be each parent who wishes to be a member.<sup>1</sup>
27. The board will be made up of nine members. For the first full term only, those members will be made up as follows:
- (a) Rabbi C TGroner;
  - (b) one board member nominated by the trustees;
  - (c) two board members appointed by YCL. The first board members shall be appointed by the interim YCL board but must be ratified by the full YCL board within one month of the full board taking office;
  - (d) five board members elected by parents (at least one of whom must be a vocational Chabad Rabbi).
28. After the first term, the nine board members will be made up as follows:
- (a) Rabbi C T Groner;
  - (b) three board members shall be nominated by YCL;
  - (c) five board members shall be elected by the members, at least one of whom must be a vocational Chabad Rabbi.

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<sup>1</sup> In principle, parents with children enrolled in the GELC should also be entitled to vote. However, the precise mechanism for representation of GELC parents will depend upon final resolution of the legal character and structural position of the GELC (see para 32).



29. The board will elect from among the board members its president, vice president and treasurer.
30. The board may co-opt up to three additional board members for a term not exceeding two years.
31. There should be the following mandatory subcommittees:
  - (a) Nominations Committee;
  - (b) Risk Management;
  - (c) Fee Assessment;
  - (d) an Education or “Chinuch” subcommittee which shall be chaired by the Principal if the Principal is a Chabad Rabbi and if the Principal is not a Chabad Rabbi, then a Chabad Rabbi who is a professional educator appointed by the Board in consultation with the Principal. The subcommittee shall include the Principal if he/she is not a Chabad Rabbi as well as the senior Rabbi of the Yeshivah Shule, and such of the other Chabad Rabbis on the board of YCL and YBRSL as wish to be members of the subcommittee.
32. The Board is to appoint the Principal of each school on a fixed term contract not exceeding five years.
33. The Principal shall be responsible for operational management of the School including the selection of all teaching staff and setting the curriculum.
34. The Principal shall report to the Board of YBRSL.
35. The company must appoint a paid company secretary (part time or full time) who shall be the company secretary appointed for YCL.

#### **Chabad Institutions of Victoria Limited**

36. Members of CIVL must be shomer shabbat, paid up existing members of the various synagogues located within the Hotham St complex and, subject to the discretion of the Board of Management, any other person resident in the State of Victoria who personally

identifies as an adherent of Chabad-Lubavitch and who has paid a membership fee prescribed by the Board from time to time. An application for membership must be accompanied by a declaration signed by a vocational Chabad Rabbi that the applicant is Chabad adherent.

37. No more than 5% increase in membership may occur in any one year. The board by a 90% majority can remove a member if the member is acting contrary to the interests of Chabad-Lubavitch or a 90% majority of the board consider that the person's declaration as to their Chabad adherence is false.
38. The Constitution should:
  - (a) permit, at the Board's discretion, CIVL to provide funds to the extent permitted by law (by gift, loan or otherwise) to YBRSL and YCL;
  - (b) require the company to comply with the directions of YCL in relation to all financial matters.
39. The Constitution should require CIVL to make available all necessary personnel to YBRSL as required by and at the discretion of YBRSL to enable the schools to provide appropriate religious education to students.
40. The board shall consist of nine people, including Rabbi C T Groner. For the first term, three shall be nominated by the trustees and five shall be elected by the members. Thereafter, the Board shall comprise Rabbi C T Groner and eight board members elected by the members.
41. The board shall elect from among the board members its president, vice president and treasurer.
42. The Board shall establish subcommittees for each subsidiary organisation, e.g. Kollel, Chabad Youth, Ohel Chana, Shules.
43. The Board is to appoint the Rabbi of each shule on a fixed term contract, not exceeding five years.

**Additional matters**

44. Each of YBRSL and CIVL and, where appropriate, YCL should have a charter to deal with:
- (a) relationship with the community;
  - (b) regulatory compliance;
  - (c) risk management;
  - (d) audit and finance.
45. The constitution of each of YBRSL and CIVL should adopt a charter requiring the adoption and review from time to time of a publicly available dispute resolution mechanism.

**Early Learning Centre and religious arms of the schools**

46. The Gurewicz Early Learning Centre and the religious arm of the schools are likely to be separate legal entities. Their boards will be the same as YBRSL to ensure they are operated consistently and efficiently with YBRSL. Their precise legal character will depend upon further legal and tax advice.

**Formal documents**

47. Formal documents will need to be drafted by solicitors to embody the proposed structure. It is likely that in that process, some necessary refinements of the structure may be identified.