

# BNSW Governance Policies 2011



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# Access, Indemnity and Insurance

## Objective

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The objective of this policy is to detail the rights of a board member to:

- access organisational information;
- be indemnified by the organisation for costs, losses, damages or expenses arising from their role as a board member; and
- be insured under the Directors' and Officers' Liability Insurance Policy.

## Deed of Access, Indemnity and Insurance

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At the commencement of their term, each board member signs a Deed of Access, Indemnity and Insurance (attached) which gives them the rights outlined in this policy.

## Access to Information

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A board member has a legal right to access information and copy documents relating to their role as a board member at the time they are on the board and after they have retired.

The Board Secretary/Public Officer keeps a full set of board papers and board members can access these papers on request even if they are no longer board members.

Documents relating to legal advice state that the advice was obtained for the organisation and each board member.

Requests for information should be made to the:

- CEO and, if not successful;
- Chair and, if not successful;
- Board, by resolution.

## Indemnity

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The organisation provides an indemnity to each board member and officer. The indemnity covers all costs, losses, damages or expenses incurred in the carrying out of their duties unless they result from dishonesty or wilful negligence.

## Insurance

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The organisation maintains a Directors' and Officers' Liability Insurance Policy. It covers costs/losses from:

- successfully defending particular types of legal action;
- personal liability from litigation; and
- the indemnity provided by the organisation to board members.

The policy excludes costs/losses from fraud, dishonesty and risks covered under other policies (e.g. property damage and bodily injury).

Details about the policy (existence of cover; limit of liability; nature of liability; premium) cannot be disclosed to anyone except with the consent of the insurer or if required by law.

## Report to the Board

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A report on the Directors' and Officers' Liability Insurance Policy is provided annually to the Board.

## Review

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This Access, Indemnity and Insurance Policy is updated by the Board, as required, to ensure it accords with the terms of the current Deed of Access, Indemnity and Insurance and the Directors' and Officers' Liability Insurance Policy.



# Audit Committee Charter

## Objective

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The Audit Committee is a committee of the Board. It exists to assist the Board to:

- be confident that the information in the financial statements is reliable;
- oversee adequate internal controls; and
- lead an organisation which is ethical and values-driven.

## Responsibilities

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The Committee is responsible for:

- setting up an internal control system;
- ensuring the system works well for all major organisational processes;
- overseeing the organisation's accounting policies;
- complying with regulatory reporting requirements;
- assessing the adequacy of management reporting and financial statements;
- recommending the appointment and remuneration of the external auditors and reviewing the terms of the audit engagement;
- providing a forum for discussion, of opportunities and problems, between committee members and auditors; and
- following-up the implementation of auditor recommendations by management.

## Composition and Appointment

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The Committee is comprised of two board members appointed by the Board. At least one of the committee members has expertise in finance or accounting. Other parties can be appointed to the committee

## Chair and Appointment

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The committee member with finance or accounting expertise chairs the Committee.

## **Terms of Appointment**

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The Board reviews the composition of the Audit Committee, annually, at the first board meeting following the Annual General Meeting. The Board may choose to rotate committee members at the annual review for any reason including:

- refreshing the Committee;
- inducting new board members; and
- better matching board member skills with the Committee's role.

## **Meetings**

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The Committee meets three times a year and, more frequently if required, to discharge its responsibilities. The Committee meets with the auditors at least annually, without management present, to discuss the auditor's opinion of management's competence and cooperativeness.

## **Quorum**

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The quorum for a meeting of the Committee is two members.

## **Attendance at Meetings**

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All board members can attend any committee meeting.

The CEO, the CFO (senior finance manager) and any other staff member appointed as secretary to the Committee, attend meetings to assist the Committee, except where the Committee is meeting alone with the auditors.

## **Minutes**

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The Board Secretary keeps minutes of committee meetings and includes them in the papers for the next board meeting.

## **Recommendations**

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The Committee makes recommendations to the Board only, unless the Board has specifically delegated decision-making authority over an issue.

All recommendations from the Committee to the Board are in the format of a board 'for decision' paper.

## **Review**

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The Board reviews this Audit Committee Charter annually and updates where necessary.



# Board Agenda

## Objective

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The objective of this policy is to outline how the board agenda is prepared and the format it takes to encourage the Board to dedicate sufficient time to matters of strategic relevance to the organisation.

## Preparation of Board Agenda

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The agenda for board meetings is developed by the Chair in consultation with the CEO and the Board Secretary. Board members may make suggestions, through the Chair, for the inclusion of specific agenda items.

The Board's agenda for particular meetings includes key items noted in the Board's annual calendar. This ensures orderly and timely decision-making on key, annual matters.

## Standard Agenda Format

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A standard agenda format is attached.

The agenda is structured to deal with more important matters first and follows the sequence of:

- Strategic Matters for Discussion
- Matters for Decision of the Board
- Matters for Information/Noting

## In Camera Board Session

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The Board may decide to dedicate time at the start of a meeting to an "in camera" discussion where major issues of concern, not included in the agenda, can be raised without management or staff present.

The Chair advises the CEO of the outcomes of any in camera discussion immediately following the discussion or as soon as possible.



## **Strategic Matters for Discussion**

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The strategic discussion topic allows a free-wheeling examination of important matters impacting the organisation.

The Board agrees the strategic discussion topic for a particular meeting at the prior meeting. The Board also decides whether a briefing paper should be prepared on the topic and, if so, by whom. Occasionally, the Board may invite an external expert to present on a topic as a prompt for discussion and debate.

At the conclusion of the strategic discussion, the Board decides if further action is required and, if so, by whom. Required actions are included in the Action List.

## **Matters for Decision**

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Specific matters require the decision of the Board because they relate to issues where the Board has reserved decision-making authority under the Matters Reserved for the Board Policy.

Every matter for board decision is the subject of a specific paper from management including a recommendation.

## **Matters for Information/Noting**

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The final section of the agenda is dedicated to Business Arising from earlier meetings (Action List), standard reports (e.g. CEO Report; Finance Report) and minutes from any board committee meeting or a verbal report by the Chair of a committee, if the Committee's meeting was held just before the board meeting.

This part of the agenda may also include a presentation by a particular manager about their area of operation for the Board's knowledge development.

All written reports are "taken as read" and opened to questions by the Chair. The author of the report does not rehash, in the meeting, the information covered in the report.

## Review

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The Board reviews this Board Agenda Policy annually and updates where necessary.

### Standard Agenda

1. Open the Meeting
2. Apologies
3. Conflict Declarations (if any)
4. In Camera Discussion (if scheduled)
5. Minutes of Previous Meeting
6. Strategic Discussion Topic  
(e.g.. Presentation by external expert on future technologies)
7. Matters for Decision
  - 7.1. Board Submission: (e.g. Acquisition of XYZ)
  - 7.2. Board Submission: (e.g. New Brand)
  - 7.3. Board Submission (e.g. Changes to a Board-endorsed Policy)
8. Matters for Noting/Information
  - 8.1. Presentation by Management (e.g. Marketing Manager) (if scheduled)
  - 8.2. Business Arising
  - 8.3. CEO Report
  - 8.4. Finance Report
  - 8.5. Minutes of Committee Meetings (or Verbal Report of Committee Meeting Immediately Prior to Board Meeting)
9. Other Business
10. Next Meeting

# Board and Board Member Continuing Development

## Objective

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The objective of this policy is to detail how the Board and individual board members continue to learn and develop.

## Board Development

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The board performance evaluations are used to identify specific “education” topics for further development of the Board.

The Board confirms the topics it will schedule for presentation to the Board, for the next year, at the board meeting at which the results of board performance evaluations are discussed.

Board development sessions are included as agenda items for board meetings.

The development sessions comprise:

- presentations by management on aspects of operations for the information of, not direction by, the Board. These sessions familiarise the Board with what is happening at an operational level in the organisation. They inform the Board in its strategy and policy role; and
- external, expert presentations on topics of relevance to the organisation and its future.

## Individual Board Member Development

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Each board member is encouraged to view the Governance Matters’ Good Governance DVD to learn more about the role of a board and best practice governance. Board members can also complete relevant Australian Institute of Company Directors’ programs.

Individual board member evaluations and action plans are used to identify development needs of particular board members. Board members can also request training in specific topics. If possible, the training is conducted for the individual board member by management with expertise in the area (e.g. CFO for understanding financials). The board members may also seek approval to attend an external training and development session.

Board members may also be authorised to attend sector conferences of benefit to the organisation and the Board.

## **Budget**

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The budget for the Board includes an amount for the ongoing development of the Board and individual board members.

## **Authorisation**

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A board member who wants to attend an external program or conference seeks approval from the Board (Nominations' Committee). The request is in writing and identifies the benefits of attendance.

## **Reporting Back**

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Board members who attend external training and development programs or conferences prepare a report which summarises the benefits from attending and any information valuable to Board or the organisation. The report is included in the board papers for the board meeting immediately following attendance.

## **Review**

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The Board reviews the Board and Board Member Continuing Development Policy annually and updates where necessary.



# Board and Committee Papers

## Objective

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The objective of this policy is to detail the style and format of board papers and the time in, and means by, which they must be circulated to the Board.

This policy also applies to papers for board committee meetings.

## Responsibilities

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The CEO and Chair are responsible for agreeing the agenda for each board meeting with input from the Board Secretary and referencing the Board's calendar for the particular meeting.

The manager responsible, committee Chair and committee secretary have the same responsibilities for committee meeting agendas.

The CEO is responsible for ensuring all board papers are in the form outlined in this policy and the Board "for Decision" Papers Policy.

The manager responsible has the same responsibility for committee papers.

The CEO (manager responsible) and the Chair approve "for Decision" papers before they are circulated with other board (committee) papers.

The Board (Committee) Secretary is responsible for collating board (committee) papers in a way which makes them easy to follow and reference (e.g. by page numbering of the complete set of papers or by tabs which match agenda item numbers).

The Board Secretary is also responsible for keeping a copy of all board and committee papers and the minutes of board and committee meetings. A board member can access these on request.

## **Timely Circulation**

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The board (committee) papers are circulated so they are received by board (committee) members at least five days before the board (committee) meeting.

## **Method of Circulation**

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Board and committee members can elect to receive the meeting papers by email attachment in PDF for printing out or by hard copy or both.

## **Time for Preparation**

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It should take a board (committee) member about as long as the time of the board (committee) meeting itself to prepare for the meeting. The length of the “pack” takes this into consideration.

## **Papers Tabled at a Meeting**

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As a general rule, papers are not tabled at meetings as this does not allow sufficient preparation time. In exceptional circumstances, the Chair may allow a paper to be tabled at a meeting.

## **Form of Board Papers**

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This section should be read in conjunction with the Board Agenda Policy.

### **Matters for Strategic Discussion**

Papers prepared for a “Matter for Strategic Discussion” are designed to provide full information to enable the Board to engage in creative thinking and are, therefore, not restricted in length. However, if several articles or papers are included, a covering page outlines the various attachments and the reason each has been provided.

### **Matters for Decision**

Papers prepared for decision by the Board are in the form of the Board For Decision Papers Policy unless the decision is of a minor nature in which case a paper with a simple recommendation with the reasons why suffices.

## **Matters for Information/Noting**

There are only two reports for information of the Board: CEO Report and the Finance Report:

### ***CEO Report***

The CEO reports on all strategic and operational activities.

The CEO Report summarises all other reports (e.g. finance, marketing, membership, services) which are included, in full, as attachments to the CEO Report.

The CEO Report covers:

- Strategic matters
- Summary financial performance
- Summary operational areas (any full reports attached)
- Any standard non-financial measures
- Other matters

### ***The Finance Report***

The Finance Report comprises:

- Statement of Financial Position (Balance Sheet)
- Statement of Comprehensive Income (Profit and Loss Statement or Income Statement)
- Statement of Cash Flows (Cash flow Statement)
- Statement of Changes in Equity

It covers performance for the month and year-to-date against budget and forecasts performance to the end of the financial year. It includes meaningful financial ratios and provides commentary on any material matters or deviations from budget.

## **Style of Papers**

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Where possible, graphs, bar charts and other visual means are used to demonstrate performance results rather than text alone.

## **Review**

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The Board reviews the Board and Committee Papers Policy annually and updates where necessary.



# Board Calendar

## Objective

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The objective of this policy is to assist the Board and its committees to deal with standing, annual, agenda items in a timely and orderly manner.

## Calendar

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The Board and each of its committees, annually, agree a calendar of meetings, in the form attached, which details known, agenda items for inclusion in the agenda of scheduled meetings.

The standard agenda items to be included in the calendar are listed below.

### For Board Meetings

1. Strategic Plan: approve or review.
2. Annual Plan: approve.
3. Budget: operating and capital expenditure: approve.
4. Annual financial statements (on recommendation from Audit Committee): approve.
5. Audit Report (on advice from Audit Committee): consider.
6. Annual Report: approve.
7. Governance policies (on recommendation from responsible committees or the CEO): approve any changes.
8. Board-endorsed policies (on recommendation from responsible committees or the CEO): approve any changes.
9. Any other matters requiring board approval or review in a board-endorsed policy (on recommendation from the CEO): approve any changes.
10. Board skill and diversity gap analysis and person specification/s for board member selection or election (on recommendation from the Nominations' Committee): approve.
11. Composition of committees of the Board: review and approve.
12. Assessment of performance against governance action plans over last twelve months: consider.
13. Method and timing of board performance evaluations (on recommendation from the Nominations' Committee): approve.
14. Reports on board performance evaluations and determination of governance action plans for next twelve months: receive and approve.



15. Succession Plan for Chair and Board Members (on recommendation from the Nominations' Committee): approve.
16. Succession Plan for CEO and Direct Reports (on recommendation of CEO): approve.
17. Board member induction process ( on recommendation from the Nominations' Committee): approve any changes.
18. Provide input to CEO performance objectives, any bonus and review of salary: to Chair (Remuneration Committee).
19. CEO performance objectives, any bonus and salary increase (on recommendation from the Remuneration Committee): approve.
20. Annual General Meeting: attend.

#### **For Audit Committee Meetings**

21. Audit Plan: approve.
22. Audit Report: receive and refer to the Board.
23. Management action on Audit Report recommendations: review.
24. Meet with auditors.
25. Annual financial statements: approve and recommend to the Board.
26. Board-endorsed financial policies: review and recommend changes to the Board.

#### **For Nominations' Committee Meetings**

27. Board skills and diversity gap analysis and person specifications for board member selection or election: approve and recommend to the Board.
28. Method and timing of board performance evaluations: approve and recommend to the Board.
29. Succession Plan for Chair and Board Members: approve and recommend to the Board.
30. Board member induction process: review and recommend changes to the Board.
31. Governance policies relevant to the Committee's charter: review and recommend changes to the Board.

#### **For Remuneration Committee Meetings**

32. CEO performance objectives, any bonus and salary increase: approve and recommend to the Board.
33. Board-endorsed remuneration and performance management policies: review and recommend any changes to the Board.
34. Non-executive board member remuneration and reimbursement: review and recommend any changes to the Board.

### **For Risk Committee Meetings**

35. Risk Management Policy and Risk Management Register: review and recommend changes to the Board.
36. Business Continuity Plan: review and recommend any changes to the Board.

### **Review**

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The Board considers additional matters which should be added to the Board calendar, annually, and revises this policy where necessary.

**Board and Committee Calendar of Meetings and Known Agenda Items**

[Year]		
Date	Meeting of...	Pre-Scheduled Agenda Items

# Board, Chair, Board Member and Committee Performance Evaluation

## Objective

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The objective of this policy is to detail the way in which the Board evaluates its performance and the performance of the Chair, board members and board committees.

## Frequency of Evaluations

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The performance of the Board, Chair, board members and board committees is evaluated annually.

The evaluations are conducted internally every second year. In alternate years, the Board uses external, expert, consulting assistance in undertaking the evaluations.

## Purpose of Evaluations

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The evaluations uncover areas for governance and personal improvement leading to the development of action plans which are implemented over the next twelve months. A post-implementation assessment occurs as part of the following year's performance evaluations.

## Board Determines Methodology

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The Board (on recommendation from the Nominations' Committee) determines the way in which the evaluations will be conducted, from the range of options described in this policy.

## Who Participates

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All board members participate in Board, Chair, board member and board committee evaluations.

The CEO and other senior managers (e.g. Board Secretary, CFO and managers who attend committee meetings) who have sufficient exposure to the board or committee members to make an informed assessment, also participate.

## Chair Evaluation

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The evaluation of the Chair is conducted in one, or a combination of, the following ways:

- completion of a survey asking a range of rated and open-ended questions about the Chair's performance in the role under such categories as:
  - leadership;
  - diligence;
  - relationship with CEO;
  - relationship with board members; and
  - conduct of meetings.

Survey responses are collated and presented to the Chair. The Chair prepares an action plan to address any areas for improvement and tables the plan at a board meeting an open discussion at the Board about:

- what the strengths of the Chair are;
- what areas require improvement; and
- what the Chair will do to address areas for improvement.

The Chair prepares an action plan and tables at the next board meeting individual private discussions between the Chair (or the consultant) and, those involved in the assessment, from which the Chair prepares an action plan for tabling at a board meeting.

## Board Evaluation

---

The evaluation of the Board is conducted in one, or a combination of, the following ways:

- completion of a board evaluation survey covering the Board's performance in categories such as:
  - structure and skills;
  - strategy;
  - policy;
  - accountability;
  - monitoring operations;
  - risk management;
  - CEO performance management;
  - teamwork; and
  - conduct of meetings.

Survey results are collated and presented to the Board. If the evaluation is internal, the Board develops its improvement action plan. If an external consultant has conducted the evaluation, the Board discusses and confirms the recommendations from the consultant which will be included in its governance action plan.

- Individual, private discussions between the Chair (or the consultant) and those involved in the assessment and the preparation of a report, with conclusions and recommendations. The report is tabled at a board meeting and the Board confirms its governance action plan for the next year.
- An open discussion at the Board about:
  - what it has done well;
  - where it needs to improve; and
  - what action plan it adopts for the next year.

The Chair prepares an action plan and tables at the next board meeting.

## **Board Member Evaluation**

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The evaluation of individual board members is conducted in one, or a combination of, the following ways:

- A confidential, self-evaluation based on a survey covering performance in various categories such as:
  - strategic;
  - ethical and values-driven;
  - knowledgeable and experienced;
  - diligent; and
  - team player.

The evaluation allows each board member to reflect on their performance and develop their own, personal, action plan:

- A confidential discussion with the Chair, based upon the categories above, and an agreement about a personal action plan.
- A confidential, peer evaluation based upon the categories above where each board member (and any others involved) assess themselves and each other board member. Collated results are presented to individual board members detailing how they rated relative to all board members and highest and lowest scoring board members. The identity and results of particular board members are not disclosed.

Each board member then meets with the Chair to agree their action plan.

## Committee Evaluation

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Committee evaluations also occur by survey and/or committee and board discussion on each committee's:

- role and functions;
- structure and composition;
- teamwork; and
- reporting to the Board.

Action plans to address uncovered shortcomings are developed.

## Review

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The Board, Chair, Board Member and Committee Performance Evaluation Policy is reviewed annually by the Board and updated where necessary.



# Board Code of Conduct

## Objective

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The objective of this Code of Conduct is to articulate, in practical terms, the way in which each board member agrees to behave in their role as a member of the Board of the organisation.

## Agreeing to the Code of Conduct

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Each candidate for election or appointment to the Board agrees to behave in a way which is consistent with the Code of Conduct

Each board candidate is required to signify, by signature, their willingness to comply with this Code of Conduct.

## Code of Conduct

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As a candidate for election or appointment to the Board I agree that I will:

### Act in Good Faith in the Best Interests of the Organisation

1. Always act honestly.
2. Act in the best interests of the organisation which means its members and purpose.
3. Treat all members fairly and equitably.
4. Comply with the law in protecting other stakeholder interests (e.g. employees; creditors).
5. Protect the financial viability of the organisation.
6. Only use the powers of the Board for the purpose they were granted.
7. Exercise my independent judgment and not vote at the direction of anyone else.
8. Bring an open mind to any discussion.
9. Be impartial in decision-making.
10. Foster the good reputation of the organisation and not do anything to discredit that reputation.
11. Seek prior approval for any significant out-of-pocket expenses for which I will claim reimbursement.
12. Not accept any personal benefits likely to place me under an obligation to other organisations or individuals.



### **Avoid or Manage Conflicts of Interest Appropriately**

13. Not put my own interests above those of the organisation as a whole.
14. Not take improper advantage of my position as a board member to gain, directly or indirectly, a personal advantage for myself or another associated with me (e.g. my family; my company or business; another organisation with which I am involved).
15. Make full disclosure of any conflict or potential conflict to the Board.
16. Make sure the Board handles my declared conflict in the way it is required to by the law or the organisation's Constitution(Rules) which usually involves:
  - a minute that I have declared a conflict;
  - a decision by the Board as to whether I can be present for any discussion on the issue;
  - a minute that I have left the boardroom;
  - the remaining board members deciding the issue in my absence; and
  - my return to the boardroom to be advised of the Board's decision on the issue.
17. If my conflict is identified in advance, decide with the Chair and CEO, if I should not receive board papers on the issue.
18. Consider the need to resign from the Board if the conflict is significant and continuing.
19. Not seek or accept any benefit for directing a business or service provider to the organisation.
20. Seek any expert professional advice about my duties as a board member from a source independent of the organisation's professional advisors.

### **Use Information Properly**

21. Not use information gained as board member improperly.
22. Not provide organisational documents to others outside the organisation.
23. Keep board meeting discussion, debate and papers confidential unless the Board has authorised disclosure or it is required by law.

### **Support Decisions Taken By the Board**

24. Support consensus decision-making in the Board.
25. Only ask that my vote against a board decision be recorded in exceptional circumstances.
26. Publicly support the Board's decision, even where I disagreed.
27. Resign from the Board rather than undermine its decisions.

**Act with Care and Diligence**

28. Work to understand my duties and responsibilities as a board member.
29. Devote adequate time to my role.
30. Attend meetings regularly.
31. Read board papers and other information provided.
32. Be an active participant in meetings and ask pertinent questions.
33. Become familiar with the operations of the organisation.
34. Make sure that appropriate senior managers are appointed.
35. Make sure that delegations and policies are in place for the organisation's operations.
36. Make sure that the Board adequately monitors the organisation's performance.
37. Question the status quo to look for ways to improve the organisation.

**Act According to the Organisation's Values**

38. Question to reach the best outcome, not to "catch out".
39. Deal respectfully with conflict.
40. Listen to, and value, the diversity of views.
41. Seek independent professional advice about duties and responsibilities with approval of the Chair.
42. Share that advice with all board members, where appropriate.
43. Avoid factionalising the Board.

**Review**


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The Board reviews this Code of Conduct annually and updates where necessary.

# Board Diversity

## Objective

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The objective of this policy is to outline the Board's policy on board diversity.

## Skills and Experience of Board Members

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The Board Member Selection and Election Policy covers the diversity of skills and experience required on the Board.

This policy should be read in conjunction with the Board Member Selection and Election Policy as the Board sees skills and experience as the pre-eminent aspect of board diversity.

## Benefits of Board Diversity

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The Board recognises the benefits which flow to the governance of the organisation from a diverse board.

A diverse board has a greater capacity to avoid possible, negative consequences of groupthink: to examine all aspects of a matter before the Board; to consider a wider range of alternative solutions; to identify with a broad selection of stakeholders; to recognise when challenging the status quo is necessary; to have learned from different experiences and mistakes; to be able to influence a wider constituency.

## Type of Diversity

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In the selection and election of board members and the development of candidate person specifications, the Board takes its diversity into account.

The Board seeks to be comprised of board members who are diverse in respect of:

- gender;
- age;
- culture; and
- background.

## **Tone at the Top**

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The Board leads by example and encourages the organisation to take diversity seriously in the employment of management and staff.

## **Review**

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The Board reviews this Board Diversity Policy annually and updates where necessary.



# Board “For Decision” Papers

## Objective

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The objective of this policy is to ensure the Board has full information about a recommendation before it makes a decision.

## Format

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Any recommendation to the Board from management is set out in a separate board paper marked “for decision” of the Board.

Each “for decision” board paper is clear and concise and authored specifically to assist the Board's full understanding of the issues. Every impact on the organisation is considered.

Generally, board “for decision” papers are no more than three pages unless the import of the subject makes this impossible. Background information papers may be attached but, the “for decision” paper “stands alone”.

“For Decision” board papers contain the headings listed below.

Information within each heading covers key facts only.

Supporting information is noted in the paper and appendix with cross-references to the key facts.

Supporting information may include:

- additional information, description or discussion;
- detailed charts, tables or analyses;
- a comparison of alternatives or options as justification for the final recommendation; and
- any impact on key performance indicators (KPIs) in organisational plans.

## Headings and Content

### 1. Subject

Information in this heading clearly identifies what the board paper for decision is all about.

### 2. Current Situation

This heading covers key points about the status quo:

- what is currently in place or happening;
- what is the current policy or practice;
- what is the current KPI impact; and
- what alternatives or options have been considered.

Copies of supporting documents are appended and cross-referenced.

### 3. Reason for Change

This heading covers key points about why change is necessary or beneficial:

- external factors warranting a change;
- internal factors which can be improved; and
- KPIs which can be improved.

Copies of supporting documents are appended and cross-referenced.

### 4. Recommendations

The recommendations are listed in numerical sequence. Recommendations are clear and concise statements of:

- who;
- what;
- where; and
- when.

## 5. Further Notes

This heading notes if:

- background information papers, relied on by management in making the recommendation, are not attached;
- alternatives or options have not been considered; and
- implementation of the recommendation will not impact KPIs.

## 6. Recommendation Review Date

The paper proposes a review date. The purpose of the review is to test actual, against projected, outcomes, qualitatively and quantitatively.

## Review

---

The Board reviews the Board “For Decision” Papers Policy annually and updates where necessary.



# Board Member and Staff Relationships

## Objective

---

The objective of this policy is to detail the occasion, tenor and protocol for board member interaction with management and staff.

## Occasion of Interaction

---

Board members interact with employees on a formal and informal basis.

In a formal sense, managers and some staff attend all, or part of, board and committee meetings and may present to the Board or a committee.

Board members also contact managers when they are seeking information or clarifying board and committee documents and papers.

Informally, board members interact with managers and staff at organisational functions and when visiting offices and operations.

## Tenor of Interaction

---

Board members deal with managers and other employees in a manner which accords with the Board Code of Conduct and demonstrates respect.

In communication with managers and staff, board members present the Board, and board members, processes, discussions and decisions, positively.

Board members are guided by the notion that “the Board will:

- instruct only the CEO;
- view all organisational performance as that of the CEO;
- view any organisational failure to comply with board policy as the failure of the CEO;
- require that the CEO keep the organisational performance within policy criteria and restore it to this state should there be policy violations; and
- never, in its official capacity, help the CEO manage”

John Carver



Board members are careful in communicating with employees not to convey an impression that they have authority or superior rights. Except through formal processes of the Board or a committee, board members do not give direction to managers or staff.

If managers or staff express concerns about operational issues to board members they are referred to the person to whom they report.

### **Seeking Information or Clarification**

---

Board members request information or clarification on board-related issues from the CEO or a member of senior management who reports directly to the CEO.

Board members ensure their requests are reasonable in occupying a senior manager's time given their operational responsibilities.

If a request for information to a senior manager is in writing, the board member copies the CEO in.

### **Review**

---

The Board reviews this Board Member and Staff Relationships Policy annually and updates where necessary.



# Board Member Induction

## Objective

---

The objective of this policy is to detail the induction process the organisation follows to introduce a new board member to the workings of the Board and the organisation.

It is designed to ensure that new board members are able to contribute to the governance of the organisation more quickly and effectively than would be the case without an induction or with an induction which simply provides basic organisational information and copies of previous board minutes.

## Components of Induction

---

New board members are acquainted with the organisation's:

- Board and its governance structures, policies and processes;
- strategic direction, business plans and budgets;
- management and organisational structure;
- operational policies endorsed by the Board; and
- functional areas of operation.

## Timing of the Induction

---

The induction occurs over the first three or so months of a new board member's tenure. Information is provided, and meetings are arranged, to allow for effective absorption of the facts and follow-up clarification of points, after time for reflection.

## Induction Process

---

The induction process is detailed in the attachment. The process is followed for the induction of each new board member and signed off "as completed".

## Board Manual

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The primary document for the induction is the Board Manual.

Each new board member is given a copy of the current Board Manual which comprises an index and copies of:

- any empowering legislation;
- the Constitution/Rules;
- the current Strategic Plan;
- the current Business/Operational Plan;
- the current Budget;
- the most recent Annual Report;
- the latest communication with members;
- current governance policies;
- board-endorsed operational policies;
- a list of commonly used acronyms and their meanings;
- a signed copy of the Deed of Access, Indemnity and Insurance; and
- a copy of the current Directors' and Officers' Indemnity Insurance Policy.

## Review

---

The Board reviews the Board Member Induction Policy and process annually and updates where necessary (on recommendation from the Nominations' Committee).

## Board Member Induction Record

New Board Member Name: \_\_\_\_\_

	Induction Process	Complete/ Initial	Date
1.	<b>Copy of Board Manual provided</b>		
2.	<b>Meeting with Chair to discuss:</b>		
	▪ the Board Manual		
	▪ the Board and its current emphasis/concerns		
	▪ What to contact the Chair about		
	▪ Any other questions		
3.	<b>Meeting with the CEO to discuss:</b>		
	▪ Strategic direction		
	▪ Operational environment		
	– Externally		
	– Internally		
	▪ Organisational structure		
	▪ Contact with staff members		
	▪ Any other questions?		
4.	<b>Meeting with the CFO and/or accountants/auditors to discuss:</b>		
	▪ Understanding the accounts/financials		
	▪ Challenges		
	▪ Questions		
5.	<b>Meeting with the Board Secretary</b>		
	▪ Questions about Board Manual contents?		
	▪ Other governance procedural questions?		
6.	<b>Meeting with Senior Managers reporting to CEO to discuss:</b>		
	▪ How the functional area works?		
	▪ What's happening and why?		
	▪ How and when the Senior Manager interacts with the Board?		
7.	<b>Guided Tour/Walkabout</b>		
	▪ CEO to arrange to escort new Board Member around operations and introduce them to staff		



# Board Member Selection and Election

## Objective

---

The objective of this policy is to detail the process the Board follows for the selection of a board member to fill a casual vacancy or the appointment of a board member where the Constitution (Rules) provides for appointed board members. It also outlines the process followed in relation to the election of board members.

## Skill Gap Analysis

---

Where there is a vacancy on the Board or where board member elections are to be held the Board (Nominations' Committee) undertakes a skill gap analysis. The skill gap analysis involves answering three questions:

1. If we were starting with a blank sheet of paper what specific skills and experience would the Board most benefit from given the existing circumstances and future directions of the organisation?
2. Which of these skills are not currently represented on the Board?
3. What person specifications would best fill these skill gaps and satisfy the Board Diversity Policy?

## Filling Casual Vacancies or Appointing ("Appointed" Board Members)

---

The person specifications are used to search for candidates to fill board vacancies.

The search is conducted by the Board (Nominations' Committee and the Committee recommends candidates for appointment to the Board).

## Board Member Elections

---

Where elections are to be held for board positions, the person specifications are advised to the members at the time nominations are called for (Person Specification Advice to Members proforma attached). This serves to inform the membership and potential nominees about the type of candidate the Board believes will strengthen the governance of the organisation and encourages the election of nominees matching the specification/s.

Nominees are also required to provide a candidate profile (Nomination proforma attached). The Candidate Profile is included in election materials.

## **Position Description and Code of Conduct**

---

Candidates for appointment or election to the Board receive a copy of the Non- Executive Board Member Position Description and Board Code of Conduct prior to their appointment or nomination (both documents are attached to the Nomination Form).

Candidates are required to acknowledge, by signature, that they understand their duties and responsibilities outlined in these documents and, if appointed or elected, agree to be bound by them.

## **Letter of Appointment**

---

On appointment or election, new board members receive a letter of appointment (Letter of Appointment proforma attached).

## **Review**

---

The Board reviews this Board Member Selection and Election Policy annually and updates where necessary.

## Person Specification

### Advice to Members

Dear Member

The Board of [ ] is committed to best practice governance and has adopted policies on board member selection and election and, board diversity.

The aim of the policies is to ensure, as much as possible, that the Board is comprised of board members who bring the range of skills, experience, gender, age and background to govern the organisation effectively given its current circumstances and future directions.

The Board has conducted a skills and diversity analysis, identified existing gaps on the Board and prepared a person specification(s) describing the type of individual(s) who will best fill those gaps.

The person specification(s) are set out below.

Personal Specification(s)

[Add here]

The Board would like to encourage those nominating candidates for election to the Board to consider nominating individuals who meet the person specification(s) requirements.

---

Chair

### Nomination for Board Member

I, ....., as a member of the organisation, nominate for the position of board member.

I confirm that I am eligible for election under the Constitution (Rules) and under the law.

I acknowledge that I have received a copy of the organisation's Non-Executive Board Member Position Description and Board Code of Conduct and agree to be bound by the duties and responsibilities outlined in these documents if I am elected.

My date of birth is the .....

The Candidate Profile (form attached for a profile of approximately 250 words) completed by me is accurate and I am aware that it will be used to prepare my Candidate Statement to issue with the ballot papers.

This nomination is signed below by my nominating members and myself.

Nominee Name and Address	Member Nominating (X required)
Nominee Name:	(1) Member Name:
Nominee Address:	Member Signature:
	(2) Member Name:
Nominee Signature:	Member Signature:



## Board Member Letter of Appointment

Dear X,

On behalf of the Board, I welcome you as a new board member, effective from [appointment date].

A Non-Executive Board Member Position Description and Code of Conduct are enclosed detailing the terms on which you agree to your appointment. A Consent to Act form is also enclosed for you to complete and return.

The Board has developed a Board Manual which includes up-to-date organisational documents and board policies. A copy [is included in this package] [is available through the board member portal on our website which can be accessed by .....]. Once you have had an opportunity to review the Manual, the Board Secretary, [name], will be in touch to arrange your induction under our Board Member Induction Policy.

The Board holds [x] meetings per annum and various committee meetings. The Board Calendar details these meetings and some of the agenda items considered at each of the meetings.

You will be appointed to at least one committee and that will be arranged by the Board in due course.

Board member [fees and] out-of-pocket expenses will be paid [reimbursed].

A Deed of Access, Indemnity and Insurance is enclosed for you to sign and return to the Board Secretary. The Board Manual includes a policy explaining the Deed.

The Chair's prior approval is necessary if you wish to obtain separate, legal advice on any matter at the organisation's expense.

The Board looks forward to your contribution to the organisation's future success and will welcome you to our next board meeting on [date] at [address] at [time].

A copy of this letter is enclosed for you to sign and return indicating you understand and agree with the requirements.

With kind regards,

---

Chair

# Board Role and Functions Statement

## Objective

---

The objective of this policy is to clearly define the role and functions of the Board.

## Role

---

The Board's primary role is to protect and enhance the value of the organisation for the benefit of its members and its mission.

The Board is responsible for the overall governance of the organisation: the leadership and supervision of the organisation's affairs.

## Functions

---

The principal functions and responsibilities of the Board are to:

1. Approve the Mission (Purpose) of the organisation.
2. Approve the Vision (Strategic Direction) of the organisation.
3. Approve the Values (Culture) of the organisation.
4. Approve, and annually review, the Strategic Plan.
5. Approve the Operational (Business) Plan which aligns with the Strategic Plan.
6. Approve operational and capital expenditure budgets which align with the Strategic and Operational Plans.
7. Approve the overall organisational structure.
8. Approve a Risk Management Policy for the organisation and agree the risks which will be reported to, and monitored by, the Board and, the frequency of that reporting.
9. Agree the organisational policies which require Board approval compared with those policies and practices which will be approved and reviewed at management level.
10. Annually review Board-endorsed policies.
11. Monitor the organisation's compliance with regulatory and legal obligations.
12. Monitor the performance of the organisation by agreed annual and longer-term key performance indicators, both financial and non-financial (e.g. member and staff attitude ratings).
13. Approve and review financial and other reporting.
14. Select and appoint the CEO.
15. Annually review the performance of the CEO based on pre-agreed objectives and key performance indicators.

16. Ratify the appointment of the CFO (senior finance manager) and provide input to the annual review of their performance.
17. Ratify the appointment of the Company Secretary and provide input to the annual review of their performance.
18. Approve the Annual Report.
19. Establish and annually review the composition, powers and functions of any committees of the Board.
20. Elect the Chair.
21. Fill casual vacancies and appointed board member positions on the Board.
22. Annually evaluate the performance of the Board, the Chair, individual board members and board committees.
23. Make recommendations to the General Meeting on matters where the General Meeting has authority, e.g.
  - the appointment of auditors;
  - the election of board members;
  - the remuneration of board members;
  - changes to the Constitution (Rules); and
  - receipt of the financial statements.

## **Review**

---

The Board reviews this Role and Functions Statement annually and updates where necessary.



# Board Secretary Position Description

## Your Role

---

as board secretary requires you to...

1. ensure meetings (general meetings and, board and committee meetings) are properly called and conducted;
2. manage board papers and processes;
3. keep records of meetings;
4. satisfy legal and regulatory requirements;
5. assist the Board in good governance policies, processes and practices.

## Individual Responsibilities

---

Your role is outlined more fully below...

6. ensure board meetings are properly called and held;
7. prepare an annual calendar for the Board and its committees;
8. collate and circulate the agenda and papers for board meetings in accordance with board policy;
9. collate and circulate the agenda and papers for board and committee meetings in accordance with board policy;
10. take minutes of board and committee meetings and circulate in accordance with board policy;
11. keep records of board and committee meetings in accordance with board policy;
12. maintain copies of current board policies;
13. maintain the Board Manual;
14. arrange for the induction of new board members;
15. manage the Board's ongoing development activities;
16. organise the Board's annual performance evaluations;
17. oversee the renewal of the Directors' and Officers' Liability Insurance and report on it to the Board;
18. arrange, record and circulate outcomes from board strategy and planning meetings;
19. provide advice to the Board, generally, on requirements arising from legislation, regulation and the organisation's Constitution(Rules);
20. provide advice to the Board, generally, on good governance practices;
21. ensure general meetings are properly called and held;
22. ensure the Annual Report is properly distributed;

23. collate and circulate the agenda and papers for general meetings;
24. ensure the nomination, selection and election process for board members is properly conducted;
25. take minutes of general meetings;
26. keep records of general meetings;
27. ensure legal and regulatory requirements are met;
28. respond to any questions from regulators.

## **Individual Rights**

---

You are entitled to...

29. access the organisational information you require to adequately serve as Board Secretary;
30. be covered by the organisation's Directors' and Officers' Liability insurance;
31. enter into a Deed of Access, Indemnity and Insurance with the organisation; and
32. board input to your performance review.

## **Review**

---

The Board reviews this Board Secretary Position Description annually and updates where necessary.

# CEO Performance Management

## Objective

---

The objective of this policy is to detail the way in which the Board manages the performance of the CEO.

## Board Responsibility

---

The Board acknowledges that the way in which it manages the performance of the CEO sets the tone for performance management throughout the organisation from the senior management team to staff generally.

The Board is responsible for the CEO's performance management. It may choose to use a remuneration committee of the Board to handle details of a performance review and, if so, the Committee's recommendations flow into, and from, the Board for its final approval.

## Role of the Chair

---

The Chair is responsible for meeting with the CEO to conduct the formal, annual, performance review and recommend the agreed, performance details to the Board (Remuneration Committee).

The Chair also schedules a six-monthly performance meeting with the CEO to discuss progress against the objectives and measures agreed in the annual, performance management review.

On an informal basis, the Chair acts as a sounding board for the CEO throughout the year and, so, has the opportunity to discuss the CEO's performance at any time.

## Components of the Performance Review

---

The components of the performance review comprise:

- aligning agreed, annual and any longer-term objectives with the Annual Plan and the Strategic Plan;
- weighting specific objectives;
- establishing measures for agreed objectives;
- linking salary and any bonus to achievement of agreed objectives;
- ensuring a negotiated, two-way process during the review; and
- agreeing what the Board can do to support the CEO in their development.

## Objectives

---

The objectives agreed with the CEO:

- align with the Annual and Strategic Plan;
- are no more than seven;
- are more than simply financial;
- are based on a “balanced scorecard” approach (e.g. financial; internal organisational processes; strategy and innovation; stakeholder relations);
- are weighted in importance (e.g. financial – 30%; internal processes – 20%; strategy and innovation – 20%; stakeholder relations – 30%); and
- are measurable (e.g. stakeholder relations: Increase staff satisfaction to an overall 75%).

## Salary and Any Bonus

---

The Board uses benchmarked remuneration data in setting the CEO's salary and any bonus.

## A Two-Way Process

---

The performance review is a negotiated, two-way process. The CEO has the opportunity to comment on the Board's performance in assisting the CEO to fulfil the role, effectively, and to suggest how the Board can support the CEO's development.

## Review

---

The Board reviews this CEO Performance Management Policy annually and updates where necessary.



# CEO Position Description

## Overall

---

The CEO is responsible for providing strategic leadership of the organisation.

The CEO works with the Board and the senior management to establish, implement and monitor the strategic direction of the organisation and its goals, strategies, plans and policies.

The CEO has the specific responsibilities outlined below.

## Specific Responsibilities

---

The CEO will:

### Leadership

1. Provide leadership to ensure the Vision, Mission (Purpose) and Values of the organisation serve the best interests of the members and objects.
2. Drive the organisation to achieve its financial and non-financial objectives.
3. Represent the organisation and its Values and objectives with members, customers, suppliers, government and regulatory bodies, other stakeholders and the community.
4. Motivate a high-performance management team by attracting, retaining and mentoring managers who have credibility throughout the organisation.
5. Ensure the organisation maintains a healthy organisational culture.

### Strategic Planning

6. Develop a strategic plan to maximise member value and recommend it to the Board for input, review and approval.
7. Implement the Strategic Plan and report to the Board on progress and agreed strategic, key performance indicators.

### Operational Management

8. Develop an Annual Operational Plan and recommend it to the Board for input, review and approval.
9. Implement the Operational Plan and report to the Board on progress against the plan.
10. Provide supervision and management of day-to-day affairs within policies established by the Board.
11. Ensure organisational commitments are within delegated approval authorities.



### **Risk Management**

12. Establish systems to identify and manage risks within the framework of the Risk Management Policy endorsed by the Board.
13. Report to the Board on the management of risks as required by the Risk Management Policy.
14. Ensure the accuracy, completeness, integrity and disclosure of the organisation's financial statements through appropriate policies, procedures and internal controls.
15. Ensure the organisation complies with all regulatory and government requirements.
16. Provide any required regulatory or government assurances regarding the organisation and its activities.
17. Ensure appropriate operational policies and procedures are developed, implemented and maintained.

### **Organisational Effectiveness**

18. Develop a strong organisation with the right people in the right positions.
19. Ensure the culture of the organisation matches its Values.
20. Recommend to the Board appointments to management positions where the Board has reserved the authority for approving appointments to the position.
21. Implement a performance management system throughout the organisation.
22. Undertake performance management of senior management.
23. Ensure people strategies and compensation systems are appropriate to attract and retain the right people to implement the strategic and operational plans.

### **Governance**

24. Communicate in a timely way with the Board on material matters affecting the organisation.
25. Communicate regularly with the Chair and other board members and ensure the Board is being provided with the information necessary to fulfil its legal duties and responsibilities.
26. Assist all board committees to fulfil their charters.
27. Ensure the Board has regular exposure to senior management.
28. With the Board, ensure effective succession plans are in place for the position of CEO and all senior managers.

### **CEO Performance**

29. Ensure that an annual evaluation of CEO performance is conducted by the Board or relevant board committee.
30. Participate in developing annual and longer-term CEO objectives and success measures aligned with the Strategic and Operational Plans and the organisation's Values.

### **Social, Environmental and Ethical Practices**

31. Foster ethical and responsible decision-making by management.
32. Set the ethical tone of the organisation.
33. Lead the organisation in its corporate social responsibility.
34. Be a community leader and ensure the organisation contributes to the well-being of the communities in which it functions.
35. Serve as the external spokesperson for the organisation and manage, effectively, relations with external stakeholders.
36. Be responsible for communicating the organisation's Vision, Mission, Values and strategic and operational plans to external stakeholders.

### **Other**

37. Carry out any other appropriate responsibilities assigned by the Board.
38. Ensure the Board reviews this position description annually.

### **Review**

---

The Board reviews this CEO Position Description annually and updates where necessary.

# Chair Position Description

## Your Role ...

---

as Chair requires you to:

1. provide leadership to the Board and organisation;
2. take responsibility for the effectiveness of the Board;
3. accept responsibility for the organisation's consistent achievement of its strategy and financial objectives;
4. provide support and advice to the CEO and other board members; and
5. chair board and general meetings.

## Individual Responsibilities ...

---

Your role is outlined more fully below:

6. be a recognised leader within the organisation's sector;
7. bring your experience to bear in the best interests of the organisation;
8. provide vision and imagination at the highest level;
9. ensure that the Board functions effectively, interacts with management optimally, and fulfils all of its duties;
10. have a positive working relationship with other board members to get the best thinking and involvement of each board member, stimulating each one to give his/her best;
11. be an available resource to management and the Board, where required;
12. periodically consult with board members on their assessment of how the Board is performing;
13. discuss and review issues confronting the organisation, and/or of concern to the Board, with the CEO;
14. evaluate, annually, the performance of the Board;
15. evaluate, annually, the performance of individual board members;
16. evaluate, annually, the performance of committees of the Board;
17. ensure that board members receive the information they need to fulfil their role;
18. participate in the employment and performance management of the CEO;
19. monitor budgets and financial performance;
20. be the signing officer for certain documents such as meeting minutes, financial reports and annual reports;
21. serve as an alternate spokesperson and ambassador for the organisation with the media, government and other stakeholders as required (subject to agreement and discussion with the Board and CEO); and
22. act as an additional set of eyes and ears for the organisation.

## Chairing Meetings ...

---

As the Chair of meetings you are expected to.....

23. be well prepared to chair meetings;
24. ensure timely board paper distribution before meetings;
25. ensure orderly conduct and a fair and appropriate opportunity for all to contribute while encouraging wider and deeper discussion of important issues;
26. understand and be able to use the formal meeting rules relevant to general meetings;
27. manage meetings ensuring suitable time allocation per item, directing discussion towards consensus and, clarifying and summing up actions and decisions; and
28. validate meeting minutes and ensure the timely and appropriate reporting and implementation of actions and decisions.

## Individual Rights ...

---

You are entitled to:

29. access any organisational information you require to adequately serve as a board member and Chair;
30. engage an outside expert, at the organisation's expense, to provide advice;
31. be covered by the organisation's Directors' and Officers' Liability insurance; and
32. enter into a Deed of Access, Indemnity and Insurance with the organisation.

## Time Commitment....

---

Your time commitment as Chair will involve preparation for and attendance at:

33. board, committee and general meetings;
34. strategy meetings and planning days;
35. training and development sessions; and
36. other meetings as required.

You are also encouraged to attend occasional social functions for the Board and the organisation.

It is estimated that 10 hours per week (usually double that of a non-executive board member) will be required for effective participation as Chair. Any external commitments you have should allow for this, at the time you are appointed as Chair and, while you continue to serve.

# Executive (Employee) Board Member Position Description

## Your Role ...

---

as a board member requires you to:

1. represent the interests of members or organisational objects in the governance of the organisation;
2. understand the difference between governance and operations to avoid raising excessive operational detail at board level;
3. monitor the management of operations and the affairs of the organisation; and
4. ensure that the best interests of the organisation are paramount (comply with the Code of Conduct).

## Individual Responsibilities ...

---

Your role is outlined more fully below:

5. use your abilities and experience fully;
6. be able to articulate the organisation's strategy;
7. have a working knowledge of the organisation's accounts;
8. be aware of the organisation's stakeholders;
9. understand the legal and regulatory environment in which the organisation operates;
10. work constructively as part of the board team;
11. respect confidentiality;
12. where required, communicate with the Chair between meetings;
13. advise the Chair in advance if you wish to introduce significant information or material at a board meeting;
14. obtain the Chair or the Board's authority before speaking for the Board in any way; and
15. be an effective ambassador of the organisation.

## Individual Rights ...

---

You are entitled to:

16. access any organisational information you require to adequately serve as a board member;
17. engage an outside expert at the organisation's expense to provide advice, with the prior approval of the Chair;
18. be covered by the organisation's Directors' and Officers' Liability insurance; and
19. enter into a Deed of Access, Indemnity and Insurance with the organisation.

## **Board Responsibilities ...**

---

As part of the board (see the Board Role and Functions Statement) you are expected to:

20. be well prepared for board meetings;
21. acquire adequate information for effective decision-making;
22. participate fully and frankly in board discussions;
23. allow other board members to voice dissenting points of view in an environment of candid discussion;
24. maintain an excellent attendance record at board meetings; and
25. assist in maximising stakeholder value.

## **Committee Responsibilities ...**

---

Connected to the committees of the board you are expected to:

26. participate on committees when asked;
27. understand the committee's charter, i.e. purpose, objectives and function;
28. understand the role of management supporting the committee;
29. be well prepared for committee meetings; and
30. maintain an excellent attendance record at committee meetings.

## **Time Commitment ...**

---

Your time commitment as a board member will involve preparation for and attendance at:

31. board and committee meetings;
32. strategy meetings and planning days;
33. training and development sessions; and
34. other meetings as required.

You are also encouraged to attend occasional social functions for the Board.

It is estimated that 5 hours per week will be required for effective participation as a board member. Any external commitments you have should allow for this, at the time you are appointed as a board member and, while you continue to serve.



# Matters Reserved for the Board

## Objective

---

The objective of this policy is to draw a clear line between the governance matters which must be decided by the Board and operational matters which are delegated to the CEO and management for decision.

## Decision-Making Process

---

If a matter is listed below, management prepares a separate submission paper for the Board with a recommendation for decision.

If a matter is not listed below and is, therefore, delegated to management, management may seek input from the Board prior to decision. The CEO also keeps the Board informed on matters within delegation by including important issues in the CEO Report to the Board.

## Matters Reserved

---

The following matters are reserved to the Board for approval:

### Strategic and Operational Planning

1. Mission (Purpose) of the organisation.
2. Strategic direction (Vision).
3. Strategic Plan.
4. Operational/Business/Annual Plan.
5. Business Continuity Plan.
6. Commencing a new business activity.
7. Ceasing an existing business activity.
8. Activities outside the ordinary course of business.

### Financial Matters

9. Operating budget.
10. Capital expenditure budget.
11. Operating expenditure over total budget.
12. Capital expenditure within budget but over \$1000.00.
13. Capital expenditure over budget.

14. Asset sales over \$1000.00.
15. Contingent liabilities with a projected impact of 10% or more on the Statement of Financial Position (Balance Sheet) or the Statement of Comprehensive Income (Profit and Loss Statement)
16. Taking a loan or lease.
17. Granting a loan.
18. Granting securities.
19. Annual financial statements including the CEO and Chief Financial Officer (CFO) (senior finance manager) management representation.

### **Mergers and Other Ventures**

20. Merger.
21. Acquisition.
22. Founding or selling subsidiaries.
23. Joint ventures.

### **Other Contracts**

24. Acquiring, selling or licensing intellectual property.
25. Related party transactions.
26. Appointment of legal advisors.
27. Insurances.
28. Contracts greater than one year or \$1000.00X.

### **Legal Issues**

29. Action following breach of any legislation.
30. Potential legal action by, or against, the organisation.

### **Brand**

31. The organisation's brand.

### **Organisational Structure**

32. The overall organisational structure.
33. The structure of management reporting directly to the CEO.



### **Human Resources and Culture**

34. The Values of the organisation.
35. CEO selection, appointment, remuneration, performance management and dismissal.
36. Appointment of the CFO (senior finance manager) and input to their performance management.
37. Appointment of the Board Secretary (and input to their performance management).

### **Board Issues**

38. Appointment of the Chair.
39. Appointment, terms and selection process of board members.
40. Creating and disbanding of committees of the Board under charters defining role, composition, delegations and reporting to the Board.
41. Board, Chair, board member and board committee performance evaluations.

### **Board–Endorsed Policy**

- a. Risk Management Policy
- b. Accounting and financial policies
- c. Human resources policies
- d. High Performance policies
- e. Technical Committee policies
- f. Game Rules and Management policies
- g. Grievance policies

### **Other**

42. Move the principal place of operations.
43. Grant or revoke a power of attorney.
44. Grant an authority to sign regulatory or official documents on behalf of the organisation.
45. Any matter which will impact the reputation of the organisation.

### **Matters for the General Meeting**

46. Annual Report.
47. Appointment of auditor.
48. Change to the Constitution (Rules).
49. Remuneration of the Board.
50. Election process for board members.

### **Review**

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The Board reviews this Matters Reserved for the Board Policy annually and updates where necessary.

# Minutes of Board and Committee Meetings

## Objective

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The objective of this policy is to detail the process for finalising the minutes of board meetings and the form the minutes take to adequately and correctly reflect discussion and decisions

This policy also applies to the recording of minutes of meetings of board committees.

## Process to Approve Minutes

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The Board (Committee) Secretary prepares draft minutes and forwards them, within four days of the meeting, to the Chair and the CEO (manager responsible) for review.

Once any amendments have been made, the Chair approves the minutes and they are circulated to the board (committee) members.

Board minutes are included in the papers for the next board meeting, for formal approval, if they have not previously been approved by the Board by circular resolution. If the minutes are amended at the next board meeting this is reflected in the minutes of that meeting.

Minutes of committee meetings are approved by circular resolution of the committee members so they can be included in the papers for the next board meeting.

Once minutes are formally approved they are entered in the minute book.

## Time to Circulate Minutes

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Minutes of a meeting are circulated to members within ten days of the meeting.

## Form of Minutes

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Minutes act as an accurate and official record of the discussion and decisions at meetings.

The minutes include:

- the place, date and time of the meeting
- the nature of the meeting
- those in attendance and any apologies
- names of anyone making a presentation to the meeting
- reference to papers distributed for the meeting, in advance, or during the meeting.

The length of the minutes is directly proportional to the importance of the specific agenda item and reflects:

- the time spent on a particular issue
- the substance of deliberations
- alternatives considered and the reason for selecting a particular alternative
- any dissent or abstention
- the decisions taken, including resolutions
- required follow-up actions

Required follow-up actions are set out at the end of the minutes in an action list which records the required action, who is responsible for the action and the date by which it will be completed and the Board (Committee) advised. Items on the Action List are only removed once the action is completed.

## **Review**

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The Board reviews the Minutes of Board and Committee Meetings Policy annually and updates where necessary.



# Nominations' Committee Charter

## Objective

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The Nominations' Committee is a committee of the Board. It exists to ensure the Board has the skills, diversity, values and behaviours required for the good governance of the organisation.

## Responsibilities

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The Committee is responsible for:

- succession planning for the Board;
- evaluating the range of skills, experience and diversity on the Board to identify gaps against the "ideal";
- identifying candidates for casual vacancy and appointed board positions who "fit" identified gaps;
- assessing the above candidates for best "fit";
- recommending nominees to the Board to fill casual vacancies, or be appointed as appointed board members, on the basis of a letter of appointment, position description and the Board Code of Conduct;
- recommending to the Board "ideal" person specifications for nomination and elections of elected board members;
- reviewing the effectiveness of the board member induction and development programs and updating where necessary; and
- recommending the process for the board performance evaluations.

## Composition and Appointment

---

The Committee is comprised of the Chair of the Board and two additional board members (except if a conflict arises <sup>1</sup> in which case the Board appoints other committee members to ensure a quorum).

## Chair and Appointment

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The Chair of the Board chairs the Committee unless conflicted.

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<sup>1</sup> A conflict arises when a committee member's term as a board member is to elapse.

## **Terms of Appointment**

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The Board reviews the composition of the Nominations' Committee, annually, at the first board meeting following the Annual General Meeting. The Board may choose to rotate committee members for any reason including:

- refreshing the Committee;
- inducting new board members; and
- better matching board member skills with the Committee's role.

## **Duty of Confidentiality**

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Each member of the Committee is bound to keep information about an individual being considered for a board position confidential during, and after, their term of office on the Committee and the Board.

## **Meetings**

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The Committee meets twice per year and more frequently if required, to discharge its responsibilities.

## **Quorum**

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The quorum for a meeting of the Committee is two members.

## **Attendance at Meetings**

---

The CEO, and any other manager appointed as secretary to the Committee, attend meetings to assist the Committee except where the Committee decides to hold a meeting, or part of a meeting, in camera.

## **Minutes**

---

The Board Secretary keeps minutes of committee meetings and includes them in the papers for the next board meeting.

## **Recommendations**

---

The Committee makes recommendations to the Board only, unless the Board has specifically delegated decision-making authority over an issue.

All recommendations from the Committee to the Board are in the format of a board 'for decision' paper.

## **Review**

---

The Board reviews this Nominations' Committee Charter annually and updates where necessary.

# Non-Executive Board Member Position Description

## Your Role ...

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as a board member requires you to:

1. represent the interests of members in the governance of the organisation;
2. understand the difference between governing and managing to avoid interfering in operational issues which are the domain of management;
3. monitor the management of operations and the affairs of the organisation; and
4. ensure that the best interests of the organisation are paramount (comply with the Code of Conduct).

## Individual Responsibilities ...

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Your role is outlined more fully below:

5. use your abilities and experience fully;
6. be able to articulate the organisation's strategy;
7. know the organisation's products, services and operations;
8. have a working knowledge of the organisation's accounts;
9. get to know executives and other key staff;
10. know the organisation's facilities and visit them when appropriate;
11. be aware of the organisation's stakeholder and community interests;
12. have a current understanding of the organisation's sector;
13. understand the legal and regulatory environment in which the organisation operates;
14. work constructively as part of the board team;
15. respect confidentiality;
16. be an available resource to management and the Board;
17. make decisions independently;
18. where required, communicate with the Chair or the CEO between meetings;
19. advise the Chair in advance if you wish to introduce significant information or material at a board meeting;
20. obtain the Chair or the Board's authority before representing the organisation in any way;
21. be an effective ambassador of the organisation; and
22. advise the Chair as soon as possible if you are not able to continue in your role as a board member.

## **Individual Rights ...**

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You are entitled to:

23. access any organisational information you require to adequately serve as a board member;
24. engage an outside expert at the organisation's expense to provide advice, with the prior approval of the Chair;
25. be covered by the organisation's Directors' and Officers' Liability insurance policy; and
26. enter into a Deed of Access, Indemnity and Insurance with the organisation.

## **Board Responsibilities ...**

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As part of the board (see the Board Role and Functions Statement) you are expected to:

27. be well prepared for board meetings;
28. acquire adequate information for effective decision-making;
29. participate fully and frankly in board discussions;
30. allow co-board members to voice dissenting points of view in an environment of candid discussion;
31. maintain an excellent attendance record at board meetings; and
32. overall, assist in maximising member value.

## **Committee Responsibilities ...**

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Connected to the committees of the board you are expected to:

33. participate on committees when asked;
34. understand the committee's charter, i.e. purpose, objectives and function;
35. understand the role of management supporting the committee;
36. be well prepared for committee meetings; and
37. maintain an excellent attendance record at committee meetings.



## **Time Commitment ...**

---

Your time commitment as a board member will involve preparation for and attendance at:

- 38. board and committee meetings;
- 39. strategy meetings and planning days;
- 40. training and development sessions; and
- 41. other meetings as required.

You are also encouraged to attend occasional social functions for the Board and the organisation.

It is estimated that 5 hours per week will be required for effective participation as a board member. Any external commitments you have should allow for this, at the time you are appointed as a board member and, while you continue to serve.

# Remuneration Committee Charter

## Objective

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The Remuneration Committee is a committee of the Board. It exists to assist the Board in adopting employment policies that encourage organisational and individual performance.

## Responsibilities

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The Committee is responsible for recommending to the Board:

- the contract of employment for the Chief Executive Officer (CEO);
- the remuneration package of the CEO;
- the CEO Performance Management Policy;
- the CEO's performance assessment under the CEO Performance Management Policy;
- senior management <sup>1</sup> recruitment policies;
- senior management employment policies;
- senior management retention policies;
- senior management termination policies; and
- non-executive board member remuneration and reimbursement.

## Composition and Appointment

---

The Committee is comprised of three board members appointed by the Board. Preferably, at least one of the committee members has expertise in human resources.

## Chair and Appointment

---

The Board appoints one of the three committee members as Chair.

---

<sup>1</sup> Senior Management means positions reporting directly to the CEO

## **Terms of Appointment**

---

The Board reviews the composition of the Remuneration Committee, annually, at the first board meeting following the Annual General Meeting. The Board may choose to rotate committee members at the annual review for any reason including:

- refreshing the Committee;
- inducting new board members; and
- better matching board member skills with the Committee's role.

## **Meetings**

---

The Committee meets twice a year and, more frequently if required, to discharge its responsibilities.

## **Quorum**

---

The quorum for a meeting of the Committee is two members.

## **Attendance at Meetings**

---

All board members can attend meetings of the Committee.

The CEO and any other manager appointed as secretary to the Committee attend meetings to assist the Committee except where their attendance or assistance creates a conflict of interest (e.g. determination of CEO salary or performance).

## **Minutes**

---

The Board Secretary keeps minutes of committee meetings and includes them in the papers for the next board meeting.

## **Recommendations**

---

The Committee makes recommendations to the Board only, unless the Board has specifically delegated decision-making authority over an issue.

All recommendations from the Committee to the Board are in the format of a board 'for decision' paper.

## **Review**

---

The Board reviews this Remuneration Committee Charter annually and updates where necessary.



# Risk Committee Charter

## Objective

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The Risk Committee is a committee of the Board. It exists to assist the Board to provide necessary oversight of organisational risks: external environment; strategic; and, operational.

## Responsibilities

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The Committee is responsible for:

- recommending a Risk Management Policy to the Board, reviewing it annually and updating it when necessary;
- developing a Business Continuity Plan/Disaster Recovery Plan and keeping it current;
- assessing the adequacy and effectiveness of risk controls which are in place in the organisation;
- evaluating significant risk exposures and management plans to mitigate those;
- developing the format and frequency of the reporting of risks and their controls to the Board; and
- ensuring the accuracy of risk disclosures in public or regulatory statements.

## Composition and Appointment

---

The Committee is comprised of three board members appointed by the Board. Preferably, at least one of the committee members has expertise in risk management.

## Chair and Appointment

---

The Board appoints one of the three committee members as Chair.

## Terms of Appointment

---

The Board reviews the composition of the Risk Committee, annually, at the first board meeting following the Annual General Meeting. The Board may choose to rotate committee members at the annual review for any reason including:

- refreshing the Committee;
- inducting new board members; and
- better matching board member skills with the Committee's role.

## Meetings

---

The Committee meets three times a year and, more frequently if required, to discharge its responsibilities.

## Quorum

---

The quorum for a meeting of the Committee is two members.

## Attendance at Meetings

---

All board members can attend meetings of the Committee.

The CEO, and any other manager appointed as secretary to the Committee, attend meetings to assist the Committee except where the Committee is meeting in camera.

## Minutes

---

The Board Secretary keeps minutes of committee meetings and includes them in the papers for the next board meeting.

## Recommendations

---

The Committee makes recommendations to the Board only, unless the Board has specifically delegated decision-making authority over an issue.

All recommendations from the Committee to the Board are in the format of a board 'for decision' paper.

## Review

---

The Board reviews this Risk Committee Charter annually and updates where necessary.

# Risk Management Policy

## Objective

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The objective of this policy is to detail the way in which the Board and the organisation identify, manage and monitor the risks faced by the organisation.

## Philosophy

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We see risk management as integral to good governance, strategy and operations.

We recognise that an element of risk is inevitable, and sometimes encouraged, in the organisation's existence and operation.

Our philosophy is not to be risk averse but to:

- foster a risk/return awareness in the culture of the organisation;
- establish a risk management system which identifies, treats and monitors risks without unnecessarily burdening the organisation; and
- achieve our organisational objectives by minimising the impact of risks we can meaningfully and realistically control.

Our approach to risk management is structured to:

- complement our organisational objectives;
- increase confidence in our ability to achieve those objectives; and
- improve the value we deliver to our stakeholders.

## Risk Management Register

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A risk management register is used to record the details of the organisation's risk management process (pro forma attached).

## Definitions

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**Risk:** an action or event that could impact achievement of organisational objectives: opportunities not realised as well as threats which materialize.

**Risk Management:** the culture, structures and processes used to manage opportunities and adverse circumstances.

**Risk Category:** the categories we use to sort specific risks (e.g. Governance; Strategic; Operational; Legal and Regulatory; Financial; Reputational).

**Risk Description:** a clear definition of a specific risk and how it can arise.

**Existing Controls:** what we currently do to treat and mitigate specific risks.

**Consequence:** a numerical measure (1 = low; 10 = high) of the impact the specific risk would have on the organisation if it occurred.

**Likelihood:** a numerical measure (1 = low; 10 = high) of the likelihood of a specific risk occurring when existing controls are taken into account.

**Risk Rating:** the quantitative score achieved when the Consequence and Likelihood scores are multiplied.

**Risk Volatility:** a symbol denoting the current volatility of a specific risk as:

- stable (→)
- increasing (↑)
- decreasing (↓)

**Responsible Person:** the position or structure (e.g. Board or board committee) responsible for monitoring and mitigating specific risks

**Reporting What, to Whom and When:** the position or structure (e.g. Board or board committee) the responsible person reports to on the specific risk, what they report and the frequency of those reports.

## Risk Management Process

---

The risk management process involves the following steps (using the Risk Management Register):

**Identify** risks: identify all reasonably foreseeable risks that arise from organisational activities.



**Evaluate** risks: taking existing controls into account, score the consequence and likelihood of each specific risk, calculate the risk rating and rank as:

- (64+) Extreme
- (49 – 63) High
- (25 – 48) Medium
- (9 – 24) Low
- (1 – 8 ) Negligible

**Treat** risks: examine existing controls (Responsible Person) and decide if further action is required to manage the level of risk. If so, develop plans to mitigate those risks.

**Monitor and Report** risks: report risk management status and plans to the authority level nominated in the Risk Management Register, as frequently as required.

## Responsibilities

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The Board retains ultimate responsibility for risk management and for determining the level of risk it will accept in the conduct of organisational activities.

The CEO and senior managers are responsible for the accuracy of risk information reported to the Board.

Senior managers are responsible for reviewing the Risk Management Register, at least annually, as part of the operational planning and budgeting process.

The CEO and CFO (Senior Finance Manager) make an annual statement to the Board that:

- the financial reports present a true and fair view, are in accordance with accounting standards and are founded on a sound system of risk management; and
- the risk management and mitigation system is operating effectively.

## Review

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The Board reviews this Risk Management Policy and the Risk Management Register annually and updates where necessary.

# Succession Planning: CEO and Direct Reports

## Objective

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The objective of this policy is to detail how the Board considers and approves, annually, a succession plan for the CEO and the CEO's direct reports.

## Board Responsibility

---

The Board is responsible for ensuring that succession plans exist for the CEO and the CEO's direct reports and are updated, annually.

Although the Board does not approve all appointments at senior management level, it has a role in succession planning here because a senior manager may be appointed acting or replacement CEO in the event that the CEO resigns or is incapacitated.

## CEO Succession Plan

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The CEO's intentions, under their employment contract, are discussed as part of the CEO annual, performance management review. The Board factors the outcome of the discussion into its succession planning for the CEO.

The CEO is responsible for preparing, annually, for the Board, a succession plan for their position. The succession plan covers:

- In the event of the CEO's incapacitation, who is recommended to immediately assume the role of acting CEO.
- In the longer term, who in management, if any, has/have the experience and leadership ability to be appointed CEO.
- What further development is necessary for possible management candidates for the CEO position and when, and how, will this development be undertaken.
- If no-one in management is considered at the time as a longer-term CEO candidate, what process is recommended for undertaking a search for a new CEO.

The Board discusses the CEO's recommendations, makes any changes it considers necessary and approves the succession plan for the next year.

## **CEO Direct Reports' Succession Plan**

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The intention of senior managers who report directly to the CEO, under their employment contracts, are discussed as part of individual, annual, performance management reviews. The CEO factors the outcome of these discussions into the succession plan for senior managers.

The CEO is responsible for preparing, annually, for the Board a succession plan for each direct report in similar terms to the CEO's succession plan.

The Board discusses the CEO's recommendations, makes any changes it considers necessary and approves the CEO direct reports' succession plan for the next year.

## **Review**

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The Board reviews this CEO and Direct Reports' Succession Planning Policy annually and updates where necessary.

# Succession Planning: Chair and Board Members

## Objective

---

The objective of this policy is to detail how the Board considers and approves, annually, a succession plan for the Chair and board members.

## Board Responsibility

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The Board is responsible for ensuring that succession plans exist for the Chair and board members and are updated annually.

## Chair Succession Plan

---

As part of the annual board performance evaluations, the Board discusses, with the Chair, the Chair's intentions regarding the position and the Board's response to those intentions.

The Board approves a succession plan for the Chair for the next year (on recommendation from the Nominations' Committee which documents the plan). The plan covers:

- Which board member would immediately assume the position of Chair in the event that the Chair was incapacitated.
- Which board member, if any, has the available time, experience and leadership ability to chair the Board in the foreseeable future.
- What further development should be provided for board members who are possible candidates for the position of Chair.
- If no board member is regarded as an ideal Chair, how the Board will select a candidate and secure their position on the Board for a period of time leading up to their appointment as Chair.

## Board Member Succession Plan

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As part of the annual board performance evaluations, the Board discusses:

- The ideal skill set for the Board and any gaps in required skills.
- Each board member's intentions regarding their position on the Board and the Board's response to those intentions.
- How the Board will, in an orderly way, fill any skill gaps by appointment of board members who possess those skills (e.g. by filling a casual vacancy, by appointing board members if this is provided for in the Constitution (Rules) or by advising the members at board member nomination and election of the required person specification/s to fill skill gaps).

The Board approves a succession plan for the orderly succession of board members (on recommendation from the Nominations' Committee which documents the plan).

## Review

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The Board reviews this Chair and Board Member Succession Planning Policy annually and updates where necessary.