

**Governance Institute of Australia Ltd**  
**A.B.N. 49 008 615 950**

**Board Charter**

**1 Introduction**

- 1.1 The Board of Governance Institute of Australia Ltd (Governance Institute) supports the ASX Corporate Governance Council's Corporate Governance Principles and Recommendations (Principles). The Board has developed policies and practices consistent with the Principles with appropriate amendments that the Board believes are applicable for the size and nature of Governance Institute's operations.
- 1.2 The Board has the responsibilities set out in this Charter and will carry out those responsibilities honestly, fairly and diligently, in accordance with the law, the Principles, and Governance Institute's Code of Business Conduct & Ethics; and for the benefit of members as well as employees, students, customers, and the community.
- 1.3 Governance Institute's corporate governance culture – our way of doing business – including leadership by the Board and senior management, is critical to Governance Institute's continuing success and is intended to set an example to all those dealing with Governance Institute of the effective operation of good corporate governance.

**2 Board and Management Responsibilities**

- 2.1 The Board is responsible for:
- a) overseeing the management of Governance Institute ;
  - b) providing strategic direction through approving and periodically reviewing the strategic plan;
  - c) approving management's policies, strategy and performance objectives;
  - d) approving the annual budget including targets for revenue, surplus or deficit, capital expenditure, and cash flows, as proposed by management;
  - e) approving and monitoring the progress of major capital expenditure, capital management, acquisitions, divestitures and mergers;
  - f) appointing and removing the Chief Executive Officer (CEO), and determining the terms and conditions of appointment, including the remuneration package;
  - g) agreeing performance targets with, and monitoring the performance of, the CEO;
  - h) appointing and removing the company secretary;
  - i) approving succession plans for the management team;
  - j) monitoring management's performance, implementation of strategy, and allocation of resources to achieve the business policies, strategies, objectives and budgets;
  - k) determining and approving the levels of authority to be given to the chief executive officer in relation to operational expenditures, capital expenditures, contracts and the operation of banking and credit facilities, and authorising any further delegations of those authorities by the chief executive officer to other senior employees of the company;

- l) maintaining succession plans for the Honorary Officer positions of President and Vice-Presidents;
- m) approving (subject to member endorsement) the appointment of the external auditor;
- n) approving Charters of Board committees;
- o) approving and monitoring financial and other reporting;
- p) admission of life, fellow, and associate members;
- q) reporting to members;
- r) monitoring the identification of business risks, reviewing and ratifying systems of risk management, internal compliance and control, legal compliance, and compliance with Governance Institute's ethical standards and policies, to ensure appropriate compliance frameworks and controls and an appropriate culture of risk management are in place; and
- s) monitoring compliance with best practice corporate governance requirements;

2.2 The following responsibilities may be delegated by the Board to management:

- a) day-to-day management of Governance Institute in accordance with the strategy approved by the Board, including the following areas:
  - (i) financial and capital management and reporting;
  - (ii) operations;
  - (iii) information technology;
  - (iv) marketing;
  - (v) customer service;
  - (vi) admission of members not covered by 2.1(p) above;
  - (vii) developing relationships with investors, media, analysts and other industry participants; and
  - (viii) human resources;
- b) reporting to the Board on the performance of Governance Institute;
- c) consulting with the Board regarding the appointment, and where appropriate, the removal of the chief financial officer;
- d) consulting with the board regarding other senior executive appointments, organisational changes and senior executive remuneration policies and practices;
- e) such other duties as are from time-to-time delegated by the Board.

2.3 It is intended that the CEO can take all decisions and actions which further the strategic objectives of Governance Institute, and which in his or her judgement are reasonable having regard to the matters reserved by the board, and the potential effect on the reputation of Governance Institute.

2.4 The CEO will report systematically in a spirit of openness and trust of the progress being made toward achievement of the strategic objectives of Governance Institute as determined by the Board.

2.5 The Board will, on a regular basis, undertake a review of its responsibilities and the responsibilities of management to ensure that they remain appropriate for the business conducted by Governance Institute.

### **3 Composition of the Board**

- 3.1 The Board is responsible for the following:
- (a) determining the number of directors (subject to the Constitution);
  - (b) terms and conditions of directors' appointments;
  - (c) appointment of a Chair; and
  - (d) filling casual vacancies on the Board and managing the succession of Board members.
- 3.2 The Company's Constitution provides:
- (a) for the number of directors to be between three and twelve;
  - (b) that the board will comprise:
    - (i) the Chair or President, appointed by the directors for a term of one year;
    - (ii) six elected Fellows, one from each State, elected for up to two terms of three years;
    - (iii) the three most recent Past Presidents or such lesser number as are eligible and willing to serve, for a maximum term of three years;
    - (iv) up to two additional directors appointed by the Board, for a maximum term of three years and a maximum of two such terms.
  - (c) that up to two Vice-Chairs or Vice-Presidents may be appointed by the board from among their number for a term of one year.
- (Please refer to the Constitution for further details)
- 3.3 Directors are entitled to seek independent professional advice related to the discharge of their responsibilities as Directors, at Governance Institute's expense, subject to the prior approval of the Chair and according to the terms of the company policy.

### **4 Board Meetings**

- 4.1 The Board will meet as often as the directors consider necessary to fulfil their duties and responsibilities and to meet the demands of the business. In normal circumstances the Board is expected to meet at least 4 times in a year.
- 4.2 A Board meeting may be held by the Board communicating by any technological means consented to by all the Directors. The consent may be a standing one and the Board need not all be physically present in the same place for a Board meeting to be held.
- 4.3 From time to time the directors will meet without management present.
- 4.4 A meeting can be convened by the Chair, or any two directors. Each director is entitled to receive notice of a meeting of directors, preferably not less than 48 hours prior to the meeting, unless the directors unanimously agree otherwise.
- (NB The constitution provides that notice may be given immediately before the meeting.)*
- 4.5 Where possible, Board and Committee papers will be provided to directors at least 5 days prior to the relevant meeting.
- 4.6 A quorum for a meeting of directors is a majority of the Board, unless otherwise fixed by the directors. The quorum must be present at all times during the meeting.

## **5 Conflict of Interest**

- 5.1 Directors must keep the Board advised, on an ongoing basis, of any interests that could potentially conflict with those of Governance Institute and shall advise the company secretary of all directorships held in other companies.
- 5.2 If a potential material conflict of interest arises, the director concerned shall advise the Chair prior to any Board meeting at which the issue is to be discussed. Any potential conflict of interest must be recorded in the Board minutes.

## **6 Board Committees**

- 6.1 The Board may establish Board committees to which it may delegate any of its powers, duties and responsibilities. The Board will appoint the members of each committee, and the Chair of each committee.
- 6.2 The Board has established the following Board Committees:
- a) Board Executive Committee;
  - b) Risk, Audit, & Finance Committee; and
  - c) Remuneration Committee.
- 6.3 A separate Charter has been adopted for each of these Committees, setting out the composition, duties and responsibilities of the committee, which is reviewed every two years.
- 6.4 The Board may establish Advisory committees from time-to-time with no delegated powers. The Board will appoint the members and the Chair of each committee. A separate Charter will be adopted for each Advisory committee which is reviewed every two years.

## **7 The Company Secretary**

- 7.1 The Company Secretary is accountable to the Board, through the Chair, on all governance matters, with all directors having access to the Company Secretary for advice or assistance on governance matters.
- 7.2 The Company Secretary supports the effectiveness of the board by:
- (a) monitoring that board policy and procedures are followed; and
  - (b) coordinating the completion and dispatch of board agendas, briefing papers and minutes.
- 7.3 The Company Secretary is responsible for driving and advising on best practice in governance, championing the compliance framework to safeguard the integrity of the organisation, promoting, and is the sounding board on, high standards of ethical and corporate behaviour and bridging the interests of the board or governing body, management and stakeholders.

## **8 Review of Board effectiveness**

- 8.1 The Board members will participate in an annual review of the Board's effectiveness in carrying out its responsibilities. The Chair will implement a review system which, subject to consultation with the Board, may include:
- a) a collective review of effectiveness undertaken by the Board;
  - b) individual performance reviews for directors;
  - c) opportunities for directors to give private feedback to the Chair on Board effectiveness; or
  - d) such other review mechanisms as the Board decides.

8.2 The Chair, in consultation with the Board, will consider whether or not to engage an external facilitator to assist with the above.

## **9 Charter Review**

9.1 The Board shall review this Charter every two years or as required, after the annual Board performance assessment.

9.2 Any modifications to or replacements of this Charter must be approved by the Board.

Minute 5011 (17/03/12)