



Australian
Rural Leadership
Foundation

BOARD CHARTER

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1. PURPOSE

- 1.1 The Board Charter of the Australian Rural Leadership Foundation (the Foundation) sets out the function, duties and responsibilities of the Board in order to facilitate Board and management accountability for the Foundation's performance and strategic direction.
- 1.2 The Board is committed to fulfilling its duties to the corporation, abiding by all relevant laws and regulations and providing employees with a safe and rewarding working environment. The Board will have consideration in its deliberations for the broader community, external and internal stakeholders, and industry partners.

2. PARAMETERS UNDER WHICH THE BOARD FUNCTIONS

- 2.1 The Australian Rural Leadership Foundation is constituted under the Corporations Act 2001 as a Company limited by guarantee. It was established in the Australian Capital Territory in 1992 and was granted gift deductibility status in 2006.
- 2.2 The Constitution of the Australian Rural Leadership Foundation Ltd is provided to all Board members.
- 2.3 The Board is responsible for ensuring that the Foundation's vision, mission and values are clearly articulated and reflected in the decisions it takes.

3. VISION, MISSION AND VALUES

3.1 OUR VISION

Outstanding regional and rural leadership

3.2 OUR MISSION

To develop and promote leadership

3.3 OUR VALUES

Courageous, influential and ethical leadership for the greater good of rural, regional and remote Australia

4. DUTIES AND RESPONSIBILITIES

- 4.1 The Board determines the policy to be followed in the conduct of the affairs of the Foundation. This includes compliance with the Corporations Act 2001 and relevant legislation.
- 4.2 The Board performs such other functions as are prescribed by law or required of the Board under the Foundation's constitution.
- 4.3 Directors owe a fiduciary duty to the Corporation which has obligations to its funders, its Fellows and members, and other stakeholders.
- 4.4 Specifically, the Board's responsibilities include but are not limited to:

4.4.1 *Strategic leadership*

- Provide input into, and approval of, the Foundation's strategic direction, objectives and goals, including approving and monitoring performance against the Strategic Plan and annual Operational Plan (see Strategic Plan section).
- Review and approve the governance policies of the Foundation.
- Approve and monitor the budget, and overseeing expenditures.
- Monitor and influence the culture and tone of the Foundation.

- 4.4.2 *Monitoring and assessing performance*
 - Approve the framework for executive appointments, remuneration and performance management.
 - Assess the Board’s effectiveness annually and other Board responsibilities, including the effectiveness of individual directors.
 - 4.4.3 *Executive management and succession*
 - Assess the performance and set the remuneration of the Chief Executive.
 - Select and appoint (and where appropriate remove) the Chief Executive.
 - Monitor and review executive succession planning.
 - 4.4.4 *Accountability*
 - Report annually to the Foundation’s members through an Annual General Meeting and an Annual Report in accordance with the requirements of the Corporations Act, 2001.
 - Approve the Annual Report and other significant reports to documents.
 - 4.4.5 *Risk management and financial management*
 - Review, monitor and approve the risk management framework, and ensure integrity of internal control and management information systems.
 - Establish adequate and suitable independent external audit arrangements.
 - Monitor the operational and financial position and performance.
 - 4.4.6 *Corporate governance and ethics*
 - Establish, monitor and review appropriate standards of corporate governance and ethics.
 - 4.4.7 *Stakeholder relations*
 - Make sure the requirements of stakeholders are understood and incorporate these requirements into the work of the Foundation where possible.
- 4.5 Directors are expected to:
- (a) actively participate in all formal activities of the Foundation Board and strive to improve the Foundation’s operation
 - (b) ask sufficient questions to elicit the information required to make informed decisions
 - (c) be informed about the Foundation and the environment that it operates within
 - (d) understand that management is the sole responsibility of the CE and Foundation staff who have been delegated to undertake specific roles by the CE
 - (e) recognise that the Board’s primary responsibility is to the Foundation as a whole, but should where appropriate, have regard for the interests of all members and stakeholders.

5. DELEGATIONS TO THE CHIEF EXECUTIVE

- 5.1 The Board has delegated authority over the day-to-day management of the Corporation and its operations to the Chief Executive (CE) subject to the limits imposed by the Delegations Framework.
- 5.2 The role of the CE is outlined in the Policy on the Role of the CE.
- 5.3 Any matters or transactions outside the Delegations Framework must be referred to the Board for approval.

6. CHAIRPERSON AND DEPUTY CHAIRPERSON

- 6.1 The Chairperson role is outlined in the Policy on the Role of the Chairperson.
- 6.2 The Chairperson will:
- chair effective Board meetings and other relevant meetings and functions
 - provide leadership to the Board
 - facilitate a professional environment and open communication between the Board, its Committees and management to support an effective decision-making process
 - ensure that the strategic direction of the Foundation and governance matters as defined in the Board's policies are the focus at Board discussions
 - ensure that all Board decisions are understood by Directors and accurately recorded.
- 6.3 The Chairperson may delegate aspects of the authority accompanying the position but remains accountable for the overall role.
- 6.4 The Board may delegate aspects of its role to the Chairperson but remains accountable for the overall role.
- 6.5 The Deputy Chairperson will assume the role and responsibilities of the Chairperson in the absence of the Chair.

7. ROLE OF THE PATRON

- 7.1 The Board nominates an individual or individuals for appointment to the role of Patron.
- 7.2 The appointment of Patron must be a unanimous decision of the Board.
- 7.3 The Patron is appointed based on the following criteria:
- a) standing within the community
 - b) compatibility of their values with those of the Foundation
 - c) actual or potential capacity to make a significant contribution to the Objects of the Foundation.
- 7.4 The role of a Patron includes presiding at ceremonial events, assisting in facilitating contact with key groups and individuals and enhancing the status of the Foundation by a willingness to be publicly associated with the objects and activities of the Foundation.

8. CODE OF CONDUCT

- 8.1 The Board has adopted, and from time to time amends, the Foundation Board Code of Conduct. The Code of Conduct governs conduct for directors, both individually and as a group.
- 8.2 The Code of Conduct is designed to ensure that high standards of corporate and individual behaviour are observed by all Directors in the context of their employment.
- 8.3 The Code of Conduct requires directors, among other things, to:
- avoid conflicts of interest between their personal interests and those of the Foundation and its stakeholders;
 - act with integrity;
 - work collaboratively with fellow Directors;
 - not take advantage of opportunities arising from their position for personal gain or in competition with the Foundation; and
 - comply with all relevant the Foundation policies.

9. CONFLICT OF INTEREST

- 9.1 The Board recognises the importance of having established procedures for directors to record and manage actual, potential or perceived conflicts of interest, including ‘material personal interests’, in relation to the Foundation business.
- 9.2 The duty to act honestly and in good faith demands that a director must declare a conflict of interest at the first possible opportunity to the chairperson.
- 9.3 Conflicts of interest may include the following:
- a) a real or perceived conflict of interest arising from a personal interest or conflicting duty
 - b) a material or personal relationship with a supplier or contractor
 - c) a director who is a supplier and contractor of services to the Foundation
 - d) prior experience or knowledge of Foundation programs as a participant, consultant or service provider which may involve a personal allegiance, a particular way of doing things or a particular view.
- 9.4 A director with a material and/or personal interest in a matter being considered by the Foundation Board must not be present or vote on the matter unless the rest of the directors resolve that the interest should not disqualify the director from being present and voting.
- 9.5 In line with the requirements of the Corporations Act, the Board maintains a register of the interests of individual Directors.

10. BOARD MEETINGS

- 10.1 The Board currently meets about four times a year. The approximate dates and mode are determined by agreement up to a year in advance.
- 10.2 The Board approves a one year forward agenda that prompts it to review progress towards the achievements of the strategic plan and strategic objectives, provides assurance that all relevant compliance requirements are addressed, and improves board performance through education and a continuous focus on governance effectiveness.
- 10.3 The agenda for a Foundation board meeting is prepared by the CE in conjunction with the chairperson, and sent out at least a week prior to the meeting in a manner agreed between the board and management.
- 10.4 Directors are required to maintain the confidentiality of information provided to Foundation Board and discussions held by the Board in relation to all matters.
- 10.5 Out of session items that arise when the Board is unable to meet telephonically or physically and requires a resolution of the Board are dealt with in the following way:
- a) out of session resolutions are sent to directors through an email or facsimile number provided by the director
 - b) results are tallied by the CE upon receipt of votes on the resolution within the set timeframe
 - c) an out of session resolution is passed if a majority of available directors agree and all Foundation directors have had reasonable opportunity to consider it
 - d) if a majority agreement is not received, the chairperson will at his/her discretion initiate a tele-conference to resolve the matter or defer its consideration until the next Board meeting
 - e) out of session resolutions are incorporated into the Resolution Register once passed. They are also included with the Minutes at the next full Board Meeting.
- 10.6 They Board may choose to hold meetings that have different purposes

- 10.6.1 An in-camera session of the Board is a meeting of only those persons who are Directors and any staff who the Directors, by resolution, authorise to be present. Matters that are generally dealt with during an in-camera session include:
- a) assessing, rewarding or disciplining individuals;
 - b) discussions and dealings with other entities or persons where the information being discussed may compromise the relationship of the Foundation with them or its stakeholders;
 - c) labour relations or human resources issues;
 - d) financial, personnel, contractual and/or other matters for which a decision must be made in which premature disclosure would be prejudicial;
 - e) matters related to civil or criminal proceedings;
 - f) personal health information related to an individual
- 10.6.2 From a governance perspective, except for the absence of an individual or several individuals, there is no difference between an in-camera session of the board and an open session.
- a) An agenda is provided and the same decision-making process must take place. Decisions made must be recorded in minutes.
 - b) The Board has the same fiduciary responsibility they have at any other time. Their liability for acting responsibly is also the same
 - c) If issues arise during an ordinary Board meeting that require the Board to move to in-camera mode the Chairperson will announce this intention and manage the process.
- 10.6.3 Depending on the business to be discussed, the Board decides which individual directors and staff members may be in attendance at an in-camera session.
- a) The Board can choose to exclude a specific board member from the in-camera meeting if it needs to deal with an area in which that board member has declared a conflict of interest, is perceived to have a conflict, or is acting outside the Directors' Code of Conduct.
 - b) The CE may attend an in-camera session only if invited to do so by the Board.
- 10.6.4 The in-camera meeting may also be used by the Board to allow the Board to have private discussion with the CE that excludes staff members who regularly attend board meetings (e.g., an employee taking minutes). Such meeting arrangements may be needed to discuss planned changes to human resources policies, compensation, benefits, or organisational structure, or issues involving specific individuals.
- 10.7. Board members may need to meet informally at times for a preparatory meeting to re-establish communication, and prepare for a formal meeting in order to manage the business of the board in an effective and timely way. Generally preparatory meetings focus on:
- a) informal discussion and relationship building
 - b) the guidance of the Chairperson on board and director functioning and/or performance.
- 10.7.1 Informal preparatory meetings are not used to deal with the kinds of matters that would normally be taken to an in-camera session of the board or to a normal meeting of the board.

11. FINANCE & AUDIT COMMITTEE

- 11.1 The Board establishes and maintains a Finance and Audit Committee and approves its Terms of Reference.
- 11.2 The Finance and Audit Committee provides assurance and assistance to the Board on:
 - the Foundation’s risk, control and compliance framework
 - the Foundation’s external accountability and compliance responsibilities
 - the approval and monitoring the budget, and the Foundation’s financial management and viability.

12. AD HOC COMMITTEES

- 12.1 The Foundation operates on the principle that all significant matters are dealt with by the full Board.
- 12.2 To assist in its deliberations, the Board may establish committees, which, apart from routine matters, act primarily in a review or advisory capacity.
- 12.3 Such committees are generally established to focus on particular issues prior to their consideration of the full Board. They can either be temporary committees established for specific short-term projects or activities, or more permanent standing committees for on-going major work.
- 12.4 The Board will provide each committee with clear terms of reference.
- 12.5 Independent members of committees, although not bound by the Constitution as a Foundation director, must agree to comply with the code of conduct and terms and conditions of the Committees on which they serve.
- 12.6 The chairperson of a committee will work directly with the Foundation staff member(s) responsible for servicing the committees

13. ACCESS TO INFORMATION AND INDEPENDENT ADVICE

- 13.1 Directors have a right to access information required to discharge their duties and will be provided with the information they need to meet their responsibilities.
- 13.2 Board members shall have complete and open access to members of management and any relevant records following consultation with the Chairperson and the Chief Executive.
- 13.3 Individual Board members seeking independent professional advice must obtain the approval of the Chairperson (which may not be unreasonably withheld) and the advice received will be made available to all Board members as appropriate.
- 13.4 Directors must not use their position or information gained as a director to gain advantage for themselves or others or cause detriment to the Foundation.
- 13.5 Unless otherwise decided by the Board information provided to the Board is confidential.

14. PUBLIC COMMENT

- 14.1 As a general rule, the chairperson will be the spokesperson for the Foundation and will share the responsibility of publicly representing the Foundation with the CE.
- 14.2 All public corporate or policy statements shall be made by the chairperson or Chief Executive who may delegate aspects of this responsibility in accordance with the Foundation policies.

- 14.3 Directors should not make public comment without official authority from the chairperson. Public comment includes speaking as a Foundation representative at formal meetings of course participants, fellows and sponsors, external seminars and conferences and making comment to the press and/or other media.
- 14.4 Directors and officers should not publicly divulge Foundation Board discussions under any circumstances.

15. INDEMNITY AND INSURANCE

- 15.1 The Foundation indemnifies each Director to the fullest extent permitted by law against liability arising out of the discharge of the director's duties.
- 15.2 The Foundation maintains appropriate Directors and Officers Insurance for directors.
- 15.3 The Foundation will make a copy of the Directors and Officers and Professional Indemnity insurance policy summaries and any changes to these policies. A copy of the policies are provided as part of the Board Charter and reviewed annually.

16. INDUCTION

- 16.1 The Foundation provides an induction program for new directors to assist them in fulfilling their duties and responsibilities.

17. SKILLS AND KNOWLEDGE

- 17.1 Directors have a personal obligation to acquire and maintain appropriate skills to perform their role as a Foundation director.
- 17.2 The Board will support the development of individual directors as appropriate to ensure that, collectively, the Board has the skills and knowledge to perform its role.
- 17.3 Management will provide briefing sessions for directors from time to time regarding the business of the Foundation to assist directors in gaining a broader understanding and knowledge of the Foundation and its operating environment. Directors are also encouraged to keep up to date on relevant topical issues.
- 17.4 From time to time, the Board will review its skills mix and may co-opt Special Skills directors as outlined in the Constitution.

18. BOARD PERFORMANCE

- 18.1 The Board will carry out an annual Board Performance Assessment in line with its Board Performance Policy, comprising an assessment of the performance of the board, the performance of the Chairperson and individual directors, including peer and self assessment.
- 18.2 The Board's success will be measured with regard to how well it performs its specific tasks and functions, as well as through analysis of the Board's ability to work together as evidenced by its cohesiveness.
- 18.3 The Board shall determine when and how it takes an internal or external review. The Board assesses its performance against the following key areas
 - a) strategy
 - b) policy
 - c) monitoring and supervision
 - d) accountability

- e) board meetings and processes
- f) board group behaviors
- g) training and development

19. COMPANY SECRETARY

- 19.1 The Board appoints a Company Secretary who undertakes formal roles required in relation to compliance.

20. REVIEW OF BOARD CHARTER

- 20.1 The Board will review and assess the adequacy of the Board Charter annually and make any appropriate revisions.