



Australian  
**Rural Leadership**  
Foundation

BOARD CHARTER  
of the  
Australian Rural Leadership Foundation Limited

(APPROVED 15 November 2019)

## BACKGROUND

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### 1. PURPOSE

- 1.1 The Board Charter of the Australian Rural Leadership Foundation Limited (the Foundation) is a written policy document that sets out the function, duties and responsibilities of the Board and Management of the Foundation.
- 1.2 The Board Charter has the following functions:
  - (a) demonstrating good governance;
  - (b) sets out the legal framework the Foundation operates in;
  - (c) documents policies the Board has decided upon to meet its obligations and responsibilities;
  - (d) communicates the Board's expectations for the operations of the Foundation;
  - (e) can act as an induction tool for new directors.

## LEGAL FRAMEWORK

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### 2. PARAMETERS UNDER WHICH THE BOARD FUNCTIONS

- 2.1 The Foundation is constituted under the *Corporations Act 2001 (Cth)* as a company limited by guarantee established in the Australian Capital Territory in 1992.
- 2.2 The Foundation is a registered charity under the *Australian Charities and Not for Profits Commission Act 2012 (Cth)*.
- 2.3 As a consequence of its charity status, the Foundation holds the following tax status:
  - (a) deductible gift deductibility status from 1 July 2006;
  - (b) GST concession from 1 July 2009;
  - (c) income tax exemption from 1 July 2009; and
  - (d) FBT rebate from 1 July 2009.
- 2.4 To maintain its charity status, the Foundation must continue to be not-for-profit and pursue their charitable purpose. The Board are responsible for ensuring that the Foundation's charitable purposes are clearly articulated and reflected in the decisions it takes.
- 2.5 As a charity, the Board must ensure that the Foundation complies with the ACNC's Governance Standards and the ACNC's External Conduct Standards.

## BOARD OPERATIONS

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### 3. INDUCTION

- 3.1 The Foundation provides an induction program for new directors to assist them in fulfilling their duties and responsibilities. As part of the induction program, directors will be provided with:
  - (a) a copy of the Constitution;
  - (b) Board Charter;
  - (c) committee Terms of References;
  - (d) Code of Conduct;
  - (e) Conflict of Interest Policy;

- (f) Register of Interests;
- (g) Current strategic plan;
- (h) recent annual reports;
- (i) weblinks to the ACNC Governance and External Conducts Standards; and
- (j) the current budget and year to date financial reports for the Foundation.

#### 4. BOARD PERFORMANCE

- 4.1 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.
- 4.2 The Board's success will be measured with regard to how well it performs its specific tasks and functions, as well as thorough analysis of the Board's ability to work together as evidenced by its cohesiveness.
- 4.3 In accordance with the Constitution, at least two directors must retire each year. Retiring directors (who continue to qualify in accordance with the eligibility requirements in the constitution) may offer themselves for re-election.

#### 5. ROLE OF THE CHAIRPERSON

- 5.1 Under the Constitution, a chairperson will be elected by the directors to Chairperson for the term specified in this Board Charter. The term specified is from the conclusion of the Board meeting following an AGM for a three (3) year period. The three (3) year term will conclude at the end of the third year's AGM.
- 5.2 The Chairperson role is to:
  - (a) chair Board meetings and general meetings;
  - (b) provide leadership to the Board;
  - (c) oversee the Board's general performance and encourage effective and efficient operation of the Board;
  - (d) facilitate a professional environment and open communication between the Board, its committees and management to support an effective decision-making process;
  - (e) ensure that the strategic direction of the Foundation, compliance and governance matters are the focus of Board discussions;
  - (f) speak publicly on behalf of the Board and the Foundation;
  - (g) support, mentor and monitor the Chief Executive (CE); and
  - (h) carry out such other roles as may be delegated by the Board.
- 5.3 The role of the Chairperson is subject to the following limitations:
  - (a) the Delegations Framework;
  - (b) the Chairperson is not expected to chair Board committees or working parties;
  - (c) while the CE has a particular working relationship with the chair, the CE is directed by and reports to the Board as a whole; and
  - (d) while in exceptional circumstances the Chairperson may need to act urgently in the interests of the Foundation without prior agreement from the Board, such actions should immediately be referred to the Board for disclosure and endorsement purposes.

## 6. ROLE OF DIRECTORS

6.1 Collectively the role of the directors includes but is not limited to:

- (a) Strategic leadership
  - i 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.
  - ii Review and approve the governance policies of the Foundation.
  - iii Approve and monitor the budget and oversee expenditures.
- (b) Monitor and influence the culture and tone of the Foundation. Monitoring and assessing performance
  - i Approve the framework for executive appointments, remuneration and performance management.
  - ii Annually assess the Board's effectiveness and other responsibilities, including the effectiveness of individual directors.
- (c) Executive management and succession
  - i Assess the performance and set the remuneration of the CE.
  - ii Select and appoint (and where appropriate remove) the CE.
  - iii Monitor and review executive succession planning.
- (d) Accountability
  - i Report annually to the Foundation's members through an Annual General Meeting and an Annual Report in accordance with the requirements of the Australian *Charities and Not for Profits Commission Act 2012 (Cth)* and *Corporations Act 2001 (Cth)*.
  - ii Approve the Annual Report and other significant reports or documents.
- (e) Risk management and financial management
  - i Review, monitor and approve the risk management framework, and ensure integrity of internal control and management information systems.
  - ii Establish adequate and suitable independent external audit arrangements.
  - iii Monitor the operational and financial position and performance.
- (f) Corporate governance and ethics
  - i Establish, monitor and review appropriate standards of corporate governance and ethics.
- (g) Stakeholder relations
  - i Ensure the requirements of stakeholders are understood and incorporate these requirements into the work of the Foundation where possible.

## 7. ROLE OF THE COMPANY SECRETARY

7.1 The Board appoints the Secretary who undertakes roles assigned to the position under the Constitution and the Board including but not limited to:

- (a) receiving and processing membership applications and resignations subject to the Constitution and directions of the Board;
- (b) maintaining the register of Members;
- (c) maintaining the minutes and other records of a general meetings, directors meetings and

- circular resolutions;
- (d) maintaining the Register of Interests;
- (e) updating Foundation details with ACNC and ASIC and ensuring timely compliance with ACNC reporting obligations; and
- (f) sending and receiving notices subject to the Constitution and directions of the Board.

## 8. BOARD MEETINGS

- 8.1 The Board meets at least four times a year. Meetings are generally held face to face and on a quarterly basis.
- 8.2 The Board approves a one-year forward agenda that prompts it to review progress towards the achievements of the strategic plan and objectives, provides assurance that all relevant compliance requirements are addressed, and improves Board performance through education and a continuous focus on governance effectiveness.
- 8.3 The agenda for Board meetings are 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.
- 8.4 Directors are required to maintain the confidentiality of information provided to the Foundation Board and discussions held by the Board in relation to all matters.
- 8.5 The Board may choose to hold meetings that have different purposes.
- 8.6 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.
- 8.7 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. Specifically:
  - (a) An agenda is provided, and the same decision-making process must take place;
  - (b) Decisions made must be recorded in minutes;
  - (c) The Board has the same fiduciary responsibility they have at any other time. Their liability for acting responsibly is also the same; and
  - (d) 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.
- 8.8 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.
- 8.9 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.

- 8.10 The CE may attend an in-camera session only if invited to do so by the Board.
- 8.11 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, organisational structure, or issues involving specific individuals.
- 8.12 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; and
  - (b) the guidance of the Chairperson on Board and director functioning and/or performance.
- 8.13 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.

## 9. ACCESS TO INFORMATION AND INDEPENDENT ADVICE

- 9.1 Directors may access information necessary to discharge their duties. Directors will have open access to members of management and any relevant records following consultation with the Chairperson and the CE.
- 9.2 Individual Board members seeking independent professional advice must first 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.
- 9.3 Directors must not use their position or information obtained as a director to gain advantage for themselves or others or cause detriment to the Foundation.

## DELEGATIONS

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### 10. DELEGATION FRAMEWORK

- 10.1 The Board has adopted the Delegations Framework setting out approved delegations for the Foundation.
- 10.2 Any matters or transactions outside the Delegations Framework must be referred to the Board for approval.
- 10.3 The Delegations Framework will be reviewed annually by the Board.

### 11. DELEGATION TO THE CHIEF EXECUTIVE

- 11.1 The Board delegates day-to-day management of the Foundation and its operations to the CE subject to the limits imposed by the Delegations Framework.

## 12. COMMITTEES

- 12.1 The Foundation operates on the principle that all significant matters are dealt with by the full Board. Under the Constitution, the Board may delegate any of their powers and functions to a committee.
- 12.2 Committees are generally established to focus on particular issues prior to the 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.
- 12.3 Where the Board creates a committee, it must approve a Terms of Reference for that committee. The Terms of Reference should be reviewed annually.
- 12.4 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.
- 12.5 The current committees of the Board are:
- (a) Audit and Risk Committee tasked with providing assurance and assistance to the Board on:
    - i the Foundation's risk, control and compliance framework;
    - ii the Foundation's external accountability and compliance responsibilities; and
    - iii approval and monitoring of the budget, and the Foundation's financial management and viability.
  - (b) Fundraising Committee, tasked with developing and monitoring a strategic framework for which fundraising, and perpetual fund activities are conducted.
  - (c) Nominations and Remuneration Committee, tasked with assisting and advising the Board on:
    - i matters related to the composition, structure and operation of the Board;
    - ii Board evaluation and governance matters; and
    - iii CE succession, and CE and staff remuneration, incentives and bonuses.

## 13. PUBLIC COMMENT

- 13.1 As a general rule, the Chairperson and CE are the spokespeople for the Foundation.
- 13.2 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 or fellows and sponsors, external seminars and conferences and making comment to the press and/or other media.
- 13.3 All public corporate or policy statements shall be made by the Chairperson or CE, subject to the Delegations Framework.

## GENERAL

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### 14. VISION, MISSION AND VALUES

14.1 In accordance with the Foundation's Objects:

- (a) the vision is outstanding regional and rural leadership;
- (b) the mission is to develop and promote leadership; and
- (c) our values are to promote courageous, influential and ethical leadership for the greater good of rural, regional and remote Australia.

### 15. CODE OF CONDUCT

15.1 The Board has adopted the Code of Conduct.

15.2 The Code of Conduct governs conduct of directors, employees, members, associates, contractors and participants in Foundation activities.

15.3 The Board may from time to time amend the Code of Conduct

### 16. CONFLICT OF INTEREST

16.1 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.

16.2 The Board has adopted the ACNC template for recording and managing conflicts of interests in the Foundation's Conflict of Interest Policy.

16.3 The Board will review the Conflict of Interest Policy annually.

### 17. ROLE OF THE PATRON/S

17.1 The role of a Patron/s 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.

17.2 Under the Constitution, the Board may invite eminent persons to be a Patron for a period of up to three years and on conditions as the Board thinks fit.

17.3 The current Board conditions on the appointment of a Patron are:

- (a) The appointment must be a unanimous decision of the Board; and
- (b) the Board will consider the following criteria in appointing a Patron:
  - i standing within the community;
  - ii compatibility of their values with those of the Foundation; and
  - iii actual or potential capacity to make a significant contribution to the Objects of the Foundation.

### 18. REVIEW OF BOARD CHARTER

18.1 The Board will review the Board Charter annually.