

BOARD CHARTER

Australia Latin America Business Council (ALABC)

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Attachments

No.	Document
A	Revised Constitution to be attached.
B	Duties of the Chief Executive
C	
D	
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1. INTRODUCTION

The Board of the Australia Latin America Business Council (ALABC) is committed to striving for high standards of governance relative to the size and nature of the company.

This charter sets out the respective roles, responsibilities and authorities of the Board of Directors and management in setting the direction, management and control of ALABC.

The Charter is based on:

- ALABC's Constitution (see **Attachment A**) which is the key driver of the Company's corporate governance and sets out the Company's objectives
- the *Corporations Act 2001* (Cth) which establishes the framework under which Australian companies must operate and which applies to ALABC by virtue of its status as a company limited by guarantee.

2. ROLES AND RESPONSIBILITIES

2.1 THE ROLE OF THE BOARD

The Board is ultimately responsible for ensuring ALABC achieves its constitutional objectives ethically, responsibly and within its legislative and regulatory obligations. Accordingly, the Board is accountable to its members of the company for the attainment of ALABC's vision and purpose, and for ensuring the ongoing sustainability of the organisation.

The Board does this through the following key functions:

- setting the overall strategic direction and policies of ALABC and monitoring the implementation of that strategy
- monitoring ALABC's operational and financial performance including the approval of annual budgets and verifying annual financial statements
- monitoring ALABC's compliance with legal and regulatory obligations
- ensuring that effective 'fit for purpose' audit and risk management systems are in place to protect ALABC's assets and to minimize the possibility of ALABC operating beyond acceptable risk parameters
- selecting and appointing the Chair and Vice Chair from the elected Directors
- selecting and appointing the Chief Executive, determining his/her conditions of service, and monitoring his/her performance against established performance objectives
- accounting to members and other key stakeholders for ALABC's performance, and
- representing ALABC in formal interactions with key stakeholders and ensuring that the good reputation of ALABC is upheld.

The Board delegates responsibility for managing the day-to-day operations of ALABC to the Chief Executive and in this regard sets specific limits of authority within which the Chief Executive can act.

As required, the Board also delegates tasks to individual Directors and specific working groups.

2.2 THE ROLE OF DIRECTORS

Directors are individually responsible to ensure that the Board fulfills its role as set out in this Charter.

This requires Directors to:

- contribute to setting the strategic direction of ALABC
- ensure achievement of the functions of ALABC in a proper, effective and efficient way
- demonstrate and promote high standards of corporate governance
- monitor the performance of ALABC in the areas of finance, compliance and risk management
- participate in the appointment of the Chief Executive and the regular monitoring of the Chief Executive's performance
- account to the members for ALABC's performance, and
- undertake a representative role for ALABC as required.

2.3 THE ROLE OF THE CHAIR

The primary role of the Chair is to ensure the efficient and effective operation of the Board. While legally the Chair doesn't have any additional responsibilities or powers to that of any other Director on the Board, the Chair has the role of:

- leading the Board and facilitating constructive contributions by all Directors
- ensuring the Board functions effectively and efficiently as a whole in discharging its responsibilities
- establishing an effective working relationship with the Chief Executive, and facilitating a good working relationship between the Board and Chief Executive
- establishing an effective working relationship with members and key stakeholders
- chairing Board meetings and ensuring the effectiveness of those meetings
- guiding the on-going professional development and performance reviews of the Board and Directors, and
- undertaking a high level representative role for ALABC.

2.4 THE ROLE OF THE CHAIR EMERITUS

In recognition of extraordinary service as a Director of the Board over a long period of time, the Board may appoint a retiring Chair as Chair Emeritus for a two year renewable period. The Chair Emeritus would serve as a counsellor to the Chair and to the Board and as an Ambassador for ALABC. The Chair Emeritus would not be a member of the Board, nor have any managerial responsibilities for the Council. The Chair Emeritus would not attend Board meetings on a regular basis but could be invited by the Chair to contribute to the Board's discussion of strategic issues affecting the Council. The Expectations of Directors outlined in Section 3 below would also apply as appropriate to the Chair Emeritus.

2.5 THE ROLE OF THE DEPUTY CHAIR AND VICE CHAIRS

The Board may appoint from the elected Directors a Deputy-Chair and one Vice-Chair from each of the states of New South Wales, Queensland, Victoria, South Australia and Western Australia. The primary roles of the Vice-Chairs are to assist the Chair in the performance of his/her duties in their respective states and act, as appropriate, as the main point of contact for ALABC with those states. The role of the Deputy-Chair is to act as the Chair in the event that the Chair is unable to perform the duties outlined above.

2.6 THE ROLE OF THE CHIEF EXECUTIVE

The Chief Executive's role and duties are set out in a performance agreement approved by the Board. On an annual basis, the Board undertakes a formal review of the performance of the Chief Executive in accordance with the terms of the Chief Executive's contract.

The Chief Executive is responsible for managing the day-to-day operations of ALABC, and in this regard agrees with the Board specific limits of authority within which he/she can act without reference to the Board.

Attachment B sets out the duties of the Chief Executive.

2.7 THE ROLE OF THE TREASURER

The Treasurer is primarily responsible for ensuring the proficient financial oversight and management of ALABC including by:

- overseeing the presentation of budgets, accounts and financial statements to the Board
- ensuring appropriate financial systems and controls are in place and managed appropriately
- ensuring compliance with conditions of funders, statutory bodies and relevant legislation as appropriate, and
- supervising fundraising activities.

2.8 THE ROLE OF THE COMPANY SECRETARY

The Company Secretary is responsible for ensuring that Board processes and procedures run efficiently and effectively, and in accordance with the Council's Constitution, this Charter, applicable regulations and high standards of corporate governance.

The Company Secretary's responsibilities include ensuring that the Chief Executive:

- gives appropriate notice for all member and Board meetings in accordance with the Board's instruction
- circulates the agenda and Board papers for meetings to Directors within the time limits prescribed by the Board
- records and maintains all minutes of the Board and Board committee meetings, including decisions taken or requests made for further action and relevant deadlines affecting those decisions or requests
- maintains the members' register and such other registers and records as the Board may require
- maintains this charter and other Board policies
- advises the Board on governance compliance and related issues
- develops and maintains the Register of Interests listing those interests of all Directors which may cause a conflict of interest at any time in accordance with the Directors' Conflict of Interest Policy
- co-ordinates and oversees the induction of new Directors
- attends to all filings and lodgement of documents with relevant regulatory entities, and
- organises Directors' and officeholders' insurance.

All matters for the Board's attention should be directed by the Chief Executive to be processed and forwarded to the Chair of the Board. Equally, relevant actions resulting from Board decisions are to be implemented by the Chief Executive, overseen by the Company Secretary.

3. EXPECTATIONS OF DIRECTORS

3.1 GENERAL EXPECTATIONS

Directors are expected to perform their duties with integrity, honesty and in a professional manner, and exercise independent judgment on matters before the Board. This includes attending the majority of Board and Board-related events (a minimum of 80% attendance each year) and maintaining the confidence of ALABC and Board information as required.

As a minimum, all Directors are required to comply with their legal duties and obligations when discharging their responsibilities as Directors. These duties include:

- acting honestly, in good faith in the best interests of the company as a whole, and for a proper purpose
- acting with a degree of care and diligence that a reasonable person would exercise if in the Director's position
- refraining from making improper use of information gained through the position of Director and from taking improper advantage of the position of Director
- avoiding conflicts of interest wherever possible and appropriately managing conflicts where they arise, and
- monitoring ALABC's financial situation to best ensure that the company does not incur a debt while it is insolvent.

At the outset of their term, ALABC provides Directors with this Charter and asks Directors to acknowledge the terms of this document and their willingness to comply with it.

3.2 CODE OF CONDUCT

Directors' commitment and knowledge: As part of ensuring their ability to undertake their duties with reasonable care and diligence, Directors are expected to:

- be familiar with their legal duties and responsibilities as a Director, and maintain currency of that knowledge
- be actively involved in Board committees/working groups as required
- be prepared for all Board meetings
- make reasonable inquiries to ensure that ALABC is operating efficiently, effectively, and legally towards achieving its objectives
- undertake diligent analysis of all proposals and submissions placed before the Board, and
- be independent in judgment and actions, and take all reasonable steps to be satisfied as to the soundness of all decisions taken by the Board.

It is important that all Directors make their utmost effort to attend Board meetings and other events on the Board's calendar. This ensures that:

- the workload of the Board is shared among the Directors
- Board deliberations involve the input of all Directors especially given that the Board relies on its collective skill set, and
- the Board is able to meet the necessary quorum.

All Directors are expected to actively participate in, and contribute to, discussions at Board meetings. Directors are expected to be forthright in Board meetings, and have a duty to question, request information, and raise any issue confronting the organisation. Directors are also expected to cast their vote on any resolution according to their own decision.

In fulfilling these responsibilities, Directors are expected to behave in a manner that is consistent with generally accepted procedures for the conduct of meetings. This includes, but is not limited to:

- acting in accordance with the Constitution
- acting in a professional manner
- using judgment, common sense and tact when raising and discussing issues
- ensuring that all Directors have an opportunity to put forward their views and not dominate discussion
- avoiding irrelevant remarks and unnecessary interruptions to Board discussions, and
- accepting the direction of the Chair to ensure the orderly and good spirited conduct of any meeting.

Confidentiality and collegiality: Directors are expected to maintain the confidentiality of all Board discussions, deliberations and documents unless that disclosure has been specifically authorised by the Board, is required by law, or the information is generally known by the community. Information includes written documents of any form as well as the content of verbal Board deliberations. All minutes of the meetings of Directors shall be treated as confidential.

The obligation regarding Board confidentiality extends after a Director is no longer serving on the Board.

While Directors are expected to exercise independence of mind in questioning issues in the Boardroom, outside the Boardroom Directors are expected to support the letter and spirit of Board decisions.

Relationship with management: Directors are to strive to build a good relationship between the Board and management through openness, honesty, fostering trust and mutual respect.

Relationship with stakeholders: Directors are to strive to build a good working relationship with ALABC's stakeholders.

At all times Directors should observe the Board's policy regarding the authorised spokesperson for ALABC.

Directors should not engage in conduct likely to bring discredit upon ALABC.

3.3 CONFLICTS OF INTEREST

The Board has adopted the following procedures to appropriately manage Directors' conflicts of interest:

- **Register of Interests:** A Register of Interests will be kept by the Chief Executive comprising all declarations of interest made by Directors. The register must be open for inspection by any Director. The Chief Executive will keep the Board informed of all entries to the register. The Chief Executive and Directors must treat all personal information contained in the register as confidential.
- **Declarations of Interests:** Within one month of appointment, each Director is required to complete a Conflicts of Interest Disclosure Form (**Attachment C**) declaring the fact, nature, character and extent of any conflicts. The Chief Executive will, on an annual basis, request each Director to review and update their disclosure form. Directors are responsible for updating their disclosure form at other times in order to comply with this policy.

Where a Director has a material personal interest in an issue arising in the course of their duties, they must immediately inform the Chair of the interest in writing and must not deal with the issue except under the Chair's written direction.

- **Standing agenda item:** “Declarations of interests” will be a standard agenda item at the beginning of each Board and Board committee/working group meeting. Directors are required to advise of the fact, nature, character and extent of any conflicts of interest or duties regarding agenda items at this point and before discussion of any substantive agenda items. If, during the course of discussion on an agenda item, a Director becomes aware of a conflict then they are to declare the conflict at that time.
- **Receipt of Board papers:** In some circumstances, a Director should not receive particular material, such as a relevant Board paper, owing to that Director’s conflict of interest. The Director may direct the Chief Executive not to send the relevant material to him/her. The Chief Executive should consult the Chair as to material conflicted Directors should receive. In the event that the conflicted Director objects to the withholding of information, the matter should be discussed and determined by the Board.
- **Participation in discussion and decision-making:** Where a Director has identified a conflict of interest in relation to a matter, and that conflict is a direct or indirect financial or personal interest in a matter to be considered, unless the Board (comprised of the non-conflicted Directors) otherwise directs, the affected Director may not be present during discussion or vote on the matter.
- **Minutes:** Where a Director has declared a conflict of interest, the disclosure and the Board’s decision as to how the conflict is managed must be recorded in the Board or committee minutes along with any arising action items. The minutes should also record whenever a Director enters or exits the meeting room as a result of a conflict.
- **Consider position:** If a Director is unwilling or unable to manage a conflict of interest that affects him/her, and that conflict, in the view of the Board, interferes with the effectiveness of their performance of their duties to ALABC, then the Chair may request the Director to consider whether their ongoing position with ALABC is sustainable.
- **Seek advice:** If a Director is concerned that they might have a conflict of interest, they are encouraged to assume that a conflict exists and seek advice from the Chair as to the most appropriate manner for handling the situation. The Chair will consider how the matter is to be handled to protect the interests of ALABC.
- **Undeclared conflicts:** Where a Director believes that another Director has an undeclared conflict of interest or duty, they should notify the Chair. The Chair must then discuss the matter with the relevant Director and determine how the matter is to be managed. If the Chair considers it necessary, he/she will put the issue to the non-conflicted Directors for determination.
- **Deputy-Chair:** In the circumstance where the conflict concerns the Chair, the Deputy-Chair will fulfil the Chair’s role as stated in this policy.

4. COMPOSITION OF THE BOARD

Directors are appointed and elected in accordance with the Constitution. As from the 2018 Annual General Meeting, the Board will comprise a minimum of three and a maximum of 10 Directors. All Directors are non-executive Directors.

The Board regularly considers the desirable composition of the Board, the tenure of Directors and the process for renewal of Directors.

Directors can only serve for two consecutive two year terms on the Board, after which time they must stand down from the Board for at least one year before being eligible to re-nominate for election to the Board.

5. BOARD PROCESSES

5.1 BOARD MEETINGS

The Board meets approximately 10 times each year with 8 meetings conducted by tele-conference and 2 meetings face-to-face. The Board additionally meets as required to deal with specific issues and other matters including strategic planning.

Unless Directors determine otherwise, the quorum for a meeting of the Board will be 3 Directors who must be present at all times during the meeting. Resolutions of the Board can also be circulated without a Director's meeting, provided all the Directors sign the Resolution document.

The Board will prepare an annual calendar of its meetings and other activities each year in advance.

The Chair, in conjunction with the Chief Executive, prepares an agenda which forms the basis for Board meetings. The Chief Executive aims to circulate the agenda and associated papers to Directors at least five business days before the relevant meeting.

In accordance with the Constitution, the Board ensures that adequate minutes of meetings of the Board and its committees are kept. Minutes are circulated in draft for comment by the Chair within one week of the meeting. Minutes are distributed with the following meeting's Board papers for confirmation at the next meeting.

5.2 COMMUNICATION PROTOCOLS

At all times, Directors are required to work only through the Chair and/or Chief Executive.

Requests for access to staff and corporate information should be directed through the Chief Executive but copied to the Chair to ensure maintenance of lines of authority and communication.

Directors should be mindful of their role in all communication with members of ALABC's staff, clients, stakeholders and broader community to ensure that they are acting in the best interests of ALABC as a whole. Irrespective of the capacity in which Directors are engaged in ALABC's activities, they need to be mindful that they will be seen as a Director.

The authorised spokesperson for ALABC is the Chair and/or Chief Executive unless otherwise agreed to by the Board.

Directors are expected to represent ALABC in an appropriate manner and ensure its good reputation in the community at all times. Where issues regarding the reputation of ALABC are raised in a public forum, Directors are expected to bring that matter to the attention of the Chair and/or Chief Executive as soon as possible.

6. WORKING GROUPS

In order to assist ALABC perform its functions, the Board may establish working groups focussing on different functional areas or specific industry sectors and headed by a Director to assist in the delivery of the Council's Strategic Plan.

Each working group will have a charter approved by the Board.

The Board will periodically review the performance and continuation of working groups.

7. BOARD AND DIRECTOR INDUCTION, DEVELOPMENT AND PERFORMANCE

The role and expectations of Directors as set out in this charter is to be provided to candidates upon receipt of their nomination to the Board.

The Board evaluates its performance each year.

The Chair also liaises with Directors individually on an annual basis to ensure their ongoing interest, commitment and tenure. The Deputy-Chair will have a similar discussion with the Chair.

8. DIRECTOR REMUNERATION AND TRAVEL

In accordance with the Constitution, Directors are not remunerated for their services to ALABC as Directors but are entitled to reimbursement for agreed reasonable expenses incurred in performing their role and duties as a Director.

The nature and cost of any travel expenditure reimbursement will be part of the policy on Director Remuneration and Travel agreed by the Board.

All Directors' travel and reimbursement is to be approved in accordance with Board policy. In the case of the Chair, approval for proposed travel should be given where possible by the Board at its regular meetings.

9. STATUS AND REVIEW OF CHARTER

In the event of a conflict between the Constitution and this Charter, the Constitution shall prevail.

The Board will annually review this Charter to ensure it remains current and consistent with good governance practice.

ATTACHMENT B

Board Charter

Australia Latin America Business Council (ALABC)

Duties of the Chief Executive

Principal Duties of the Chief Executive of the Australia Latin America Business Council will be to:

1. Develop, in consultation with the ALABC Board and stakeholders, strategic plans and added-value propositions for the organisation.
2. Deliver the strategic plan, annual operating plans and annual budget with processes for ongoing monitoring and reporting to the Board and stakeholders.
3. Provide operational leadership of the Council's activities, including the efficient communication with members, effective meeting management, effective management of events, business operations, business development, stakeholder relations, marketing, contracted services, and other projects as required by the ALABC Board and stakeholders.
4. Proactively manage membership across all categories with a view to growing and diversifying the membership portfolio.
5. Provide leadership and day-to-day management of stakeholder relationships including development and facilitation of collaborative initiatives and engagements (working groups etc).
6. Implement and manage effective and fit-for-purpose internal governance frameworks (e.g. financial management, risk management and reporting) and continuous improvement frameworks and tools ensuring compliance with legislative requirements.
7. Manage all service providers, providing regular performance updates to the Board.
8. Liaise with the Treasurer to produce regular reports that provide comprehensive insight into the state of ALABC's finances, membership, communications, and policy submissions, and that tracks progress against defined KPIs for inclusion in the Annual Report and other disclosures to members and stakeholders.
9. Act as an ambassador of ALABC when required in addition to the Chair, Chair Emeritus and Directors.
10. Identify and pursue additional revenue opportunities, leveraging digital tools and technological advances.