

## **AHRI LIMITED**

### **BOARD CHARTER**

#### **1. INTRODUCTION**

- 1.1** This Charter sets out the role, responsibilities and powers of the board of directors ('Board') of AHRI Limited ('Company').

The Board is appointed by the Company's Member representatives, the Council of State Presidents ("CSP"). In carrying out the responsibilities and powers set out in the Charter, the Board will at all times recognise its overriding responsibility to act honestly, diligently and in accordance with the law.

#### **2. BOARD TERMS**

All Directors, be they State Directors or National Directors, shall each have total terms not exceeding ten years, subject to any exceptional circumstances for the terms of individual directors, agreed to by the Board.

State Directors may thus remain on the Board for longer than two, two year terms by being appointed as a National Director following expiry of their term as a State Director. Any such State Directors who remain as National Directors after their State Directorship term expires, would only be eligible for nomination and election to the Board if all the following requirements were met: (a) there was a vacancy in the National Director category; (b) there was a majority support for such election at both the levels of the AHRI Board and CSP; and (c) the appointment would be subject to the maximum ten year term applying (including that person's term as a State Director).

In order to ensure continuity on the Board, State Directors should as far as the Constitution permits, seek to serve their full 2 year term and seek reappointment for at least one further 2 year term. However, if a State Director loses office as a State President or State Councillor, he or she should resign from the Board with effect 4 months thereafter.

#### **3. RESPONSIBILITIES**

- 3.1** The Board is responsible to the members, in conjunction with the CSP where appropriate, for:

- (a) the performance of the Company in both the short and long term;
- (b) the overall corporate governance of the Company including setting its strategic direction, establishing goals for management, and monitoring the achievement of these goals.

Day-to-day management of the Company's operations and administration are formally delegated by the Board to the CEO/Managing Director, the Executive Team and other employees as set out in the Company's comprehensive set of delegations entitled the 'Who Can Authorise Register'. These delegations are reviewed by the Board on at least an annual basis. The power to grant delegations cannot be delegated.

#### **4. POWERS**

- 4.1** The Constitution of the Company provides that, subject to the Corporations Act and the Constitution, the business of the Company must be managed by the Board.

Powers specifically reserved for the Board are as follows:

- (a) Appoint the CEO/Managing Director and formally assess the CEO/Managing Director's performance twice a year and provide continuous feedback as appropriate;

- (b) Input into a final approval of management's development of the Corporate Plan, which includes strategic direction, performance objectives and budgets to meet the shareholders needs and management business risk;
- (c) Monitor and assess management's performance in achieving the strategies, performance objectives and budgets approved by the Board;
- (d) Monitor compliance with regulatory requirements and ethical standards;
- (e) Review and ratify systems of risk management and internal compliance and control including:
  - (i) the strategic risks to be controlled through AHRI management and Board action, and monitored closely by the Board; and
  - (ii) the operational risks to be controlled by AHRI management and monitored by the Board
- (f) Approve transactions, expenditure or other matters in excess of the delegations made by the Board;
- (g) Approve any changes to the delegations made by the Board;
- (h) Approve the annual financial report;
- (i) Appoint or remove the Company Secretary and/or the Chief Finance Officer and annually review the performance of the Company Secretary;
- (j) On an annual basis review the remuneration and performance of the Executive Team;
- (k) Review, on at least an annual basis, executive succession planning and executive development activities;
- (l) Approve significant changes in the organisation structure.

## **5. LIMITATION OF POWERS**

**5.1** The Constitution of the Company provides some limitations on the powers of Directors.

The Powers of the Board are specifically limited by the following:

- (a) The Company must not sell or dispose of the main undertaking unless approved by CSP and an AGM of members;

## **6. BOARD COMMITTEES**

**6.1** The Board may from time to time establish Committees to assist it in carrying out its responsibilities and to allow detailed consideration of complex issues. The Board shall adopt Terms of Reference for each Committee setting out matters relevant to the composition, responsibilities and administration of such Committees and other matters that the Board may consider appropriate.

The current separately constituted Committees of the Board are:

- (a) Finance, Audit and Risk Committee, including OH&S matters;
- (b) Nomination Committee, consisting of the Chairman and 2 State Directors for the Board and CSP, and any other National Directors elected by the Board.

The Board will review, on at least an annual basis, the Committee Structure and membership of Committees.

The Board will review, at least every three years, the Terms of Reference of Committees.

The Board will review the results of an annual self-assessment by each Committee on its own performance.

The minutes of all Committee meetings will be circulated with the Board papers for the following Board meeting and the Chairman of the Committee will highlight key issues as appropriate for the full Board.

## **7. INDEPENDENT EXTERNAL ADVICE**

**7.1** Subject to the approval of the Chairman, each director has the right to seek independent professional advice on matters relating to the business of the Company at the Company's expense, in order to enable them to discharge their duties properly.

If such advice is obtained the director should ensure that, to the extent possible, any advice obtained is independent of the Company. In this regard the services of advisers external to those advising the Company should be sought.

If such advice is obtained the director obtaining the advice must forward a copy to the Company Secretary immediately on receipt. The Company Secretary will then provide a copy of the advice to all directors.

## **8. REVIEW OF CHARTER**

**8.1** The Board shall undertake an annual review to:

- (a) compare the performance of the Board with the Requirements of its Charter; and
- (b) effect any improvements to the Board Charter deemed necessary or desirable.

## **9. PERFORMANCE REVIEW OF THE BOARD**

**9.1** As part of the Company's Corporate Governance regime, the Performance of the Board will be reviewed as follows:

- (a) Two yearly – Conduct an externally facilitated performance review of the Board.
- (b) Annually – Progress on the Board's performance to be measured against the Action Plan developed as part of the externally facilitated review.

## **10. DIRECTORS TRAINING AND DEVELOPMENT**

**10.1** All Board members are encouraged to participate in training and development to enhance their effectiveness as directors.

- (a) Board members shall be provided with appropriate training to enable them to fulfil their duties and obligations as Directors of AHRI.

All newly appointed Board members shall attend an induction program to help them understand their roles and encourage fulfilment of their Board responsibilities.

On an ongoing basis, Board members will be provided with opportunities to gain first-hand knowledge of developments in the HR industry.

Board members shall also be encouraged to participate in training sessions, workshops and conferences specifically designed to enhance their effectiveness as AHRI Board members.

To share knowledge gained Board members will brief the Board on any training and development they undertake on behalf of AHRI.

## **11. CORPORATE GOVERNANCE DOCUMENTS**

**11.1** The following are key Corporate Governance Documents of the Company:

- (a) The Terms of Reference of the Board's Committees;
- (b) The Corporate Governance Statement in the Annual Report;
- (c) The Delegation Manual entitled the 'Who Can Authorise Register';
- (d) The Constitution of AHRI Limited;
- (e) Resolutions and Minutes of AHRI Ltd AGMs & GMs.