

# The Royal Agricultural Society of Victoria Limited

## Board Charter

### 1. Purpose of Charter

This policy sets out the major principles adopted by the Board to enable it to manage and discharge its responsibilities. It operates in conjunction with the Constitution of RASV (**the Entity**) and relevant laws impacting the Entity.

The Board Charter is effective 1 April 2020.

### 2. Responsibilities and functions of the Board

The Board is responsible for setting the strategic direction of the Entity and for overseeing and monitoring its businesses and affairs. Directors are accountable to members and other stakeholders for the Entity's performance.

The Board's overriding objective is to uphold the Entity's core values within an appropriate framework that protects its rights and enhances its interests, whilst ensuring the Entity is properly managed. Directors must fulfil their fiduciary obligations to the Entity and its members, but will also take into consideration the interests of other stakeholders in the Entity, including staff, Government funding partners, commercial funding partners, donors and others with a legitimate interest in the Entity's affairs.

The Board reviews and approves the Entity's strategic plans and annual budget, and guiding policies. Day to day management of the Entity's affairs and implementation of its strategy and policy initiatives are delegated to the Chief Executive Officer (**CEO**) who, in turn, delegates to other senior executives.

For guidance, the Board has also developed a broad set of policies applicable across the organisation, which are reviewed and amended from time to time.

The primary functions of the Board include:

- (a) setting overall strategic direction, purpose and vision for the Entity;
- (b) approving strategies, objectives and plans for the Entity's businesses to achieve these goals;
- (c) ensuring business risks are identified and approving systems and controls to manage those risks and monitor compliance;
- (d) approving the Entity's major human resources policies and overseeing the development strategies for senior and high performing executives;
- (e) approving financial plans, annual budgets, major capital expenditure and the Entity's remuneration framework;
- (f) monitoring executive management and business performance in the achievement of strategic and business objectives;

- (g) approving key management recommendations (such as strategic initiatives, major capital expenditure, restructuring and funding);
- (h) setting the remuneration of, appointing and removing the CEO;
- (i) appointing and removing the chair of the Board (**Chair**);
- (j) reporting to stakeholders on the Entity's strategic direction and performance including constructive engagement in the development, execution and modification of the Entity's strategies;
- (k) overseeing the management of occupational health and safety and environmental performance;
- (l) maintaining an appropriate culture within the organisation, including appropriate procedures and protection for whistleblowers;
- (m) determining that satisfactory arrangements are in place for auditing the Entity's financial affairs and overseeing the integrity of the Entity's accounting and corporate reporting systems, including the external audit;
- (n) meeting statutory and regulatory requirements, overseeing the way in which the business risks and the assets of the Entity are managed and ensuring the Entity has in place an appropriate risk management framework; and
- (o) monitoring the effectiveness of the Entity's governance practices. **Responsibilities and function of the Chair/Deputy Chair**

The Chair (or in his/her absence, the Deputy Chair):

- 2.1.1 Provides leadership to the Board;
- 2.1.2 Chairs meetings of the Board after developing the Agenda with the CEO and Company Secretary;
- 2.1.3 Encourages the Board's role in strategic planning;
- 2.1.4 Serves ex officio as a member of committees;
- 2.1.5 Helps guide and mediate Board actions with respect to Organisational priorities and governance concerns;
- 2.1.6 Leads a formal evaluation of the Board's, CEO's and individual Director's performance and informally evaluates the effectiveness of the Board members, in conjunction with the Performance and Culture Committee.

## **2.2 Responsibilities and functions of the CEO**

The Directors delegate to the CEO the role of further developing and implementing strategies objectives and plans of the Entity to enable the strategic goals to be achieved. The CEO implements and complies with the policies of the Directors. The CEO:

- (a) Establishes all operational procedures essential for effective management and delivery of services and takes all actions necessary to give effect to these procedures.

- (b) All operational procedures shall be consistent with the principles, boundaries and definitions espoused in the Directors and operational policies.
- (c) Carries out the operational business of the Organisation.
- (d) Attends all Board and Subcommittee meetings ex officio but has not voting rights.

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

The composition of the Board is determined using the following principles:

- a) The Board is comprised of a minimum of 5 and a maximum of 10 directors, of which up to seven are Elected Directors subject to retirement and election by members under the Constitution, and up to three are appointed by the Board;
- b) The Chair of the Board is a director and is not to be the CEO of the Entity; and
- c) Directors are not also members of RASV Committees.

### **4 Independent directors**

All directors must be independent directors, free of conflicting interests as set out below.

An independent director is a non-executive director who is not a member of management or staff and who is free of any business or other relationship that could materially interfere with – or could reasonably be perceived to materially interfere with – the independent exercise of their judgement.

The Board will regularly assess whether each non-executive director is considered to be independent. Information relevant to this assessment must be provided to the Board by each non-executive director. Should a director's independent status change, this will be disclosed and explained in a timely manner to the Board.

If a Director is part of an Event/Competition Committee, this will be an interim arrangement and only with the approval of the Chair. Any requests for an interim arrangement to the Chair should include the rationale and period for the request.

### **5 Skills and diversity**

The Board will ensure it collectively has the appropriate range of skills, knowledge, experience, expertise and diversity to properly fulfil its responsibilities, particularly in areas which include:

- (a) Longevity and depth of experience in agriculture, Shows, community events, membership bodies, clubs - past/current;
- (b) Experience with business/corporate planning and implementation of a strategic plan;
- (c) Experience with the development and operation of successful venue management;
- (d) Experience with the development and operation of successful event promotion businesses, including strong Food and Beverage components;
- (e) Government relations;

- (f) Business and finance;
- (g) Fundraising for not -for-profit entities;
- (h) Marketing and communications;
- (i) Management of people and development of organisational culture;
- (j) Legal and governance;
- (k) Risk management; and
- (l) Technology.

The Board will review the range of skills and diversity of its members on a regular basis and ensure it has operational and technical expertise relevant to the operation of the Entity.

## **6 Appointment and retirement of directors**

The Board will task the Performance and Culture Committee to develop a robust and transparent process to identify and appoint new directors to ensure the Board has the necessary skill sets to meet its obligations. The Board will regularly review this process.

The Board will ensure appropriate checks (including checks as to the person's character, experience, education, criminal record and bankruptcy history) are undertaken before it appoints a person, or nominates a new candidate for election, as a director.

The Board may use external consultants to access a wide base of potential directors. In considering the potential candidates, the Board will have regard to the range of skills and experience required in light of:

- (a) the current composition of the Board;
- (b) the need for independence;
- (c) the need for diversity and succession planning;
- (d) the strategic direction and progress of the Entity; and
- (e) recommendations from the Performance and Culture Committee.

A candidate for appointment or election as a director should provide the Board with any information requested and a consent for the Entity to conduct any background or other checks the Entity would ordinarily conduct. The candidate should also provide details of his or her other commitments, and should specifically acknowledge to the Entity that he or she will have sufficient time to fulfil his or her responsibilities as a director.

The Entity will enter into written agreements with each director, which will set out the terms of their appointment.

In the case of a non-executive director, the agreement will generally set out:

- (a) the term of appointment

- (b) the time commitment envisaged, including any expectations regarding involvement with committee work and any other special duties attaching to the position;
- (c) the requirement to disclose directors' interests and any matters which may affect the director's independence;
- (d) the requirement to comply with key corporate policies, including the Entity's code of conduct and its purchasing policy;
- (e) the circumstances in which the director's office becomes vacant;
- (f) indemnity and insurance arrangements;
- (g) ongoing rights of access to corporate information; and
- (h) ongoing confidentiality obligations.

## **7 Board meetings**

The Board will meet as often as it determines is necessary but at least 6 times annually. Additional meetings may be called by the Chair or any Director. Any director who believes that a matter has arisen that requires an additional Board meeting should raise this with the Chair. All directors are expected to prepare fully for all Board meetings, and to attend as many Board meetings as is reasonably practicable.

The Board at its discretion may meet without any executive being present, including the CEO.

The Board meeting agenda and relevant papers will be distributed to all directors at least 3 business days prior to the meeting unless this is not physically possible.

Directors are expected to be available for the full duration of the meeting as notified in the meeting agenda.

Directors will keep confidential all Board discussions, deliberations and decisions that are not publicly known. Outside the boardroom, directors are expected to support both the letter and spirit of Board decisions.

In addition to formal Board and committee meetings, directors are also expected to attend functions and activities on behalf of the Entity whenever possible. This will include meetings with staff, members and corporate partners. All directors are expected to make themselves available for these functions and activities if reasonably possible.

## **8 Remuneration of directors**

Remuneration of non-executive directors is allowed under the Constitution and is fixed by the Board.

The reasonable expenses incurred by directors in discharging their obligations and performing their duties will be reimbursed by the Entity, consistent with Entity policies which are established from time to time.

## **9 Board evaluation**

A structured process will be used to assess and evaluate the performance of the Board, its committees and individual directors. Whenever considered necessary, an external party will be used to evaluate the role of the Board, its committees and individual directors.

## **10 Directors' other interests**

Directors' other interests, which are likely to conflict with the interests of the Entity, are to be declared by the relevant director at the time the interest arises or the potential conflict becomes apparent.

Each director is required to provide, and to continually update the Entity with, details of their other interests (for example, employment, directorships, potential conflicts of interest, interests in contracts to which the Entity is party, related party transactions, family ties) both prior to appointment and during the holding of office.

## **11 Independent professional advice**

Each director has the right, with the prior approval of the Chair (such approval not to be withheld except in the case of an unreasonable request by a director), to seek independent legal and other professional advice at the Entity's expense concerning any aspect of the Entity's operations or undertakings in order to fulfil his or her duties and responsibilities as a director.

Where the Chair wishes to obtain independent professional advice, the Chair must obtain the prior authorisation of the Chair of the Audit and Risk Management Committee.

A copy of all the advice must be provided immediately to the Chair, and made available to all directors (unless it concerns an executive director, in which case it will be made available in the first instance to the non-executive directors only) at the next Board meeting following receipt of the advice, unless it is privileged according to law and such disclosure would jeopardise that privilege.

## **12 Director education**

The Entity has a formal process to educate new and existing directors and Committee members who are not directors about the nature of its business, risk management position, current issues, corporate and financial strategy and position, and the expectations concerning performance of directors to ensure they have a thorough understanding of their roles and responsibilities.

Directors and Committee members who are not directors will be offered opportunities for training in professional development around the roles and responsibilities of directors and Chairs of Boards and Committees.

## **13 Board committees**

To ensure the Board has adequate time to concentrate on strategy, planning and performance enhancement, the Board will delegate certain specific duties to Board committees. Each committee has a defined charter to assist and support the Board in the conduct of its duties and obligations. The structure and membership of each committee and their charters are reviewed annually. Other committees may be constituted from time to time, as required. The Chair of each committee will ensure there is a report on proceedings of meetings made to the next meeting of the Board.

All directors are expected to be available for membership to these committees and such members are to prepare fully for relevant committee meetings and to attend as many as is reasonably practicable.

#### **14 Entity Secretary**

The Entity Secretary is accountable directly to the Board, through the Chair, on all matters to do with the proper functioning of the Board.

The role of the Entity Secretary includes, among other things:

- (a) advising the Board and its committees on governance matters;
- (b) monitoring whether Board and committee policies and procedures are followed;
- (c) coordinating the timely completion and despatch of Board and committee papers;
- (d) ensuring the business at Board and committee meetings is accurately captured in the minutes; and
- (e) helping to organise and facilitate the induction and professional development of directors.

The decision to appoint an Entity Secretary will be formally resolved by the Board. The decision to remove a Secretary will be made or approved by the Board.

Reviewed on 31 March 2020

Adopted by a resolution of the Board 1 April 2020