



R S L N S W

Respecting, supporting and remembering
our veterans and their families

Board Charter

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1. INTRODUCTION

This is a charter of the Board / Board of Directors (*Board*) of the Returned & Services League of Australia (NSW Branch) (**RSL NSW**) (**Board Charter**). The Board Charter sets out the role, structure and responsibilities of the Board. It also describes how the Board operates. The Board is accountable to RSL NSW Members (**Members**) for the performance of RSL NSW.

For the purpose of this charter:

- *Chair* means the person who acts as chairperson of the Board of RSL NSW.
- *Deputy Chair* means the person who acts as deputy chairperson of the Board of RSL NSW.
- *President* means the person undertaking the ceremonial position described in clause 5 of the Board Charter.

2. ROLE OF THE BOARD

The role of the Board is to ensure that RSL NSW does all things necessary to further its charitable purpose and acts at all times in the best interests of RSL NSW including by:

- a) guiding and monitoring its businesses and affairs. It does so by collectively overseeing and appraising the strategies, major policies, processes and performance of RSL NSW using due care and diligence and ensuring that its long-term reputation and sustainability is assured;
- b) undertaking to serve the interests of Members, employees, customers and the broader veteran community with honesty and integrity;
- c) acting in good faith and in the best interests of RSL NSW as a whole, irrespective of the Region for which each Director is elected or appointed (refer RSL NSW Constitution (***the Constitution***));
- d) committing to collective decision-making processes of the Board. Each Director will always respect the contributions of other Directors and strive to understand their perspectives and contributions to Board debate. Directors will debate issues openly and constructively and be free and expected to question or challenge the opinions presented at meetings. Directors will bring to bear their relevant skills, knowledge, experience and perspective on all discussions relating to RSL NSW;
- e) ensuring that each Director's independence is paramount. Directors will not misuse their position on the Board or use information available to them as Board members to advance their personal interests or represent particular constituencies; and
- f) requiring Directors to abide by the RSL NSW Conflict of Interests Policy.

3. STRUCTURE AND COMPOSITION

The structure and composition of the Board is determined by the *RSL NSW Act 2018* (**the Act**) as follows:

- a) up to a maximum of nine RSL NSW Service Members (to be determined depending upon how many Independent Directors are appointed) to be elected by sub-Branches (Elected Directors);
- b) at least one, and if the Board in its discretion determines, up to a maximum of two, Independent Directors to be appointed by the Board;
- c) the Directors must elect one of their number as Chair and another as Deputy Chair.

The Chair is the Chairman of the Board and the Deputy Chair is the Deputy Chairman. The terms Chair and Chairman should be viewed as interchangeable;

- d) the Elected Directors must each be a Service Member of RSL NSW and cannot be an employee of RSL NSW;
- e) Until 2020, the State Council constituted under the Constitution will, subject to the requirement that the Board appoint an Independent director (and in its discretion two) comprise the balance of the Board up to the maximum of ten directors, be taken to be the Board comprised under the Act.
- f) full Board elections are held every three years, the next election being in 2020. Directors elected in an Election Year will hold office until the rising of the Annual Congress of the next Election Year or until such time as the Director ceases to hold office under the Constitution.

4. RESPONSIBILITIES OF THE BOARD

The Board has reserved to itself the following responsibilities for the governance of RSL NSW:

- a) appointing and removing the Chief Executive Officer (*CEO*), approving the CEO's Service Agreement, monitoring the CEO's performance objectives and making decisions relating to any termination payments contemplated to be made to the CEO which are in excess of those set out in his or her Service Agreement;
- b) appointing and removing the Company Secretary and the General Counsel;
- c) reviewing the short list of acceptable candidates for the position of CEO, Independent Director or casual vacancy on the Board, and approving the appointment;
- d) with the input of management and the CEO, setting RSL NSW's strategic direction, monitoring management's implementation of that strategy and reviewing management's performance against the strategic goals set;
- e) monitoring the integrity of and approving the annual statutory financial reports and statements, annual budgets, long term strategic goals, risk appetite statement, business plans, advocacy strategy (if any), and any significant changes to key Board policies;
- f) reviewing any matters pertaining to the appointment, termination or replacement of the external auditors;
- g) setting specific limits of authority for the CEO to commit to new expenditure, entering contracts or acquiring businesses without Board approval;
- h) reviewing any amendments to the Constitution, for approval by Delegates in General Meeting;
- i) approving rules that are consistent with the Constitution for, or about, the conduct of the Election of Elected Directors, as required by the Constitution;
- j) reviewing any proposals by management that have significant implications for RSL NSW or have significantly different direction than previously approved strategic positions, if any; and
- k) appointing such Committees of the Board as may be appropriate to assist in the discharge of its responsibilities, determining their scope, objectives and membership (**Board Committees**).

In discharging these responsibilities, Directors are bound by the Act, the Australian Charities and Not-for-Profit Commission Act and Australian Charities and Not-for-Profit Commission Regulations, the Charitable Fundraising Act and Regulation, the Constitution, RSL NSW By-

Laws and Regulations and all charters, policies and Codes of Conduct in force from time to time, including but not limited to:

- this Board Charter;
- all Board Committee charters;
- all relevant RSL NSW policies and procedures in place from time to time; and
- the Code of Conduct for Directors.

In addition to the responsibilities set out above, each Director must:

- a) attend the Australian Institute of Company Directors *Company Directors Course* (or such other director development course or courses as the Directors decide) within six months after the date of first election or appointment, or as otherwise set out in the Constitution;
- b) within one month of their appointment read the guidance materials designated by the Australian Charities and Not For Profits Commission (ACNC) in paragraph 30 of the Enforceable Undertaking entered into by RSL NSW with the ACNC on 14 May 2018; and
- c) under the ACNC Act, ensure that he or she understands and complies with the obligations of Governance Standards 1 – 5 contained in the ACNC Regulation.

The Board's responsibilities are collegiate and once decisions are made, Directors must not publicly advocate policies contrary to established Board decisions.

The Board confers on the CEO responsibility for implementing the strategic direction, and managing the day-to-day operations of RSL NSW, including the administration of membership generally, or the provision of services (as defined in the Constitution) to Members, or provision of services to veterans and their families.

The Board and Directors relate to the staff of RSL NSW primarily through the CEO or delegate and contact between staff and Directors is to be coordinated through the CEO or delegate. Directors do not have authority to instruct staff.

Subject to the limitations imposed by the Constitution, statute and other external regulation, the Board remains free to alter the matters reserved for its decision.

5. ROLE OF THE PRESIDENT

The roles of the President and the Chair are customarily undertaken by the same person. However, they are distinctly different and are therefore separated in this Board Charter, for clarity.

The responsibilities of the President are ceremonial in nature, are considered important by Members, and are principally to:

- a) represent ANZAC House and/or RSL NSW at commemorative functions, ceremonies and other activities, including District Council and sub-Branch meetings or presentations;
- b) act as principal host at RSL NSW meetings, functions, ceremonies and other activities; and
- c) propose the Loyal toast at formal dinner engagements.

6. ROLE OF THE CHAIR

The responsibilities of the Chair (of the Board) are principally to:

- a) act as principal spokesperson and represent RSL NSW if called before regulatory bodies or enquiries, the NSW State Parliament or other government entities;
- b) liaise with the CEO and the Company Secretary to ensure that new Board members receive the appropriate orientation and induction and have access to information on all aspects of RSL NSW's operations;
- c) establish the agenda for Board meetings in consultation with the CEO and the Company Secretary;
- d) act as the main point of contact and communication between the Board and the CEO, ensuring that the Board's views are communicated clearly and accurately;
- e) act as counsellor and mentor for, and provide support to, the CEO;
- f) represent and promote RSL NSW's policies in external meetings with the public, governments or other bodies, as authorised or requested by the Board or CEO or delegate;
- g) protect RSL NSW's policy of non-alignment with any political party;
- h) preside over Board and General or Special Meetings. The Chair has the task of making sure the Board is well informed and effective, that the Directors, individually and as a group, have the opportunity to air differences, explore ideas and generate the collective views and wisdom necessary for the proper operation and governance of the Board and RSL NSW;
- i) set a standard for Board members in terms of attendance at meetings and prior familiarity with Board Papers distributed and issues to be raised; and
- j) ensure that the meetings are conducted professionally, competently, ethically and in an open fashion consistent with a transparent culture, as well as providing effective leadership in formulating the strategic direction of RSL NSW.

7. COMMUNICATIONS

As set out in section 2 – Role of the Board, the Directors concern themselves primarily with the strategic direction of RSL NSW, its governance framework, its policies, as well as specific operational issues that are required of it by the Constitution.

In general, most communication between Directors occurs in Board meetings when the Board operates as a collective for decision-making purposes. Membership of Board committees is determined by the Board and, therefore, communication between Board members would be expected as part of this role.

Directors are encouraged to develop a culture of shared responsibility for the organisation and to actively promote RSL NSW's vision and profile. The President is effectively the Chairman of the Board, and therefore is also the link between Board and Management, via the CEO.

Directors should contact the Chair, in the first instance, if they wish to:

- bring issues before the Board;
- request training or support to assist with their performance as Directors; or
- raise a matter of concern regarding a Board member or matters before the Board.

The Chair may seek to meet with individual Board members about Board matters, Board performance, or matters relating to conduct.

8. ROLE OF THE CHIEF EXECUTIVE OFFICER

The Chief Executive Officer (CEO) is responsible for the operational management of RSL NSW. While the CEO may delegate tasks to other staff, he or she remains accountable for staff performance. Staff are not directly accountable to the Board.

The CEO is the link between the Board, the President and staff and is responsible for the implementation of Board decisions and policies and, together with the President and the Company Secretary, is responsible for the flow of information to the Board to review and monitor results.

Liaison between Board members and the staff of RSL NSW should, except in exceptional circumstances, go only through the President or the CEO. This ensures that the CEO is aware of what work is being undertaken and can monitor workflows and assess priorities appropriately.

The President meets regularly with the CEO.

9. BOARD MEMBERS AND STAFF

As the CEO is delegated the majority of day-to-day management of RSL NSW's business, that person is, therefore, the primary contact for Board members pertaining to operational matters.

Where Board members have another role, such as a Board Committee Chair, then they may have contact with the appropriate staff member directly only as it relates to that role. Any correspondence should be copied to the CEO.

Board members need to be mindful in communications with staff, not to give what could be construed as direct instructions or comments about work performance. This can confuse lines of accountability.

It is inappropriate for Board members to ask staff directly for assistance or a favour as they are generally not in a position to refuse or may feel that they cannot do so. Contact regarding the matter through the President/Chair or the CEO is required.

Likewise, it is not appropriate for staff to be in direct contact with Board members on strategic or operational matters unless they are acting with the knowledge of, or have permission to do so from, the CEO, or the President/Chair.

All Board papers and reports must be approved by the CEO and the Chair.

Notwithstanding the preceding paragraphs, in certain circumstances it will be necessary and appropriate that the State Secretary, the General Counsel and/or the Company Secretary will communicate directly with Board members. The CEO must be informed of such contact.

10. REVIEW OF PERFORMANCE

The Board will conduct, on a regular basis, a comprehensive review of its performance as a Board. The method and extent of that review is for the Board to determine from time to time.

The review of the Chair's performance will be conducted in accordance with the terms determined by the Board.

11. REWARD AND EVALUATION

The Board will ensure that the structure of remuneration for management is linked to the achievement of the RSL NSW's objectives as prescribed in writing by the Board from time

to time.

The Nominations and Performance Committee will ensure that the performance requirements of the CEO are linked to the achievement of the RSL NSW's objectives as prescribed in writing by the Board from time to time and that the systems of evaluation for the performance and remuneration of the CEO and the executive management team are based on agreed criteria determined by the Committee from time to time.

The Chair will undertake any annual performance evaluation of the CEO, on behalf of all Directors.

12. REVIEW OF CHARTERS

The Board is responsible for the regular review of the Board Charter and the development and review of the charters of all Board Committees to ensure that they remain consistent with the Board's objectives and responsibilities and are in keeping with relevant standards of good corporate governance.