

Equestrian Australia Board Charter

Introduction

This Charter sets out the roles, responsibilities, structures and processes adopted by the Board of Equestrian Australia Limited (“the Board”) to manage its affairs and enable the Board and the Directors to discharge their responsibilities to Equestrian Australia (EA) and each other.

EA is a corporately simple, but organisationally complex entity. Constitutionally it has six members, referred to as Participating Members comprising the six State equestrian organisations, through which equestrian services are primarily delivered to members.

Similarly, the role of the Board is simple in that there is a clear delineation between governance and management. However, in community and less financially endowed organisations such as EA, the boundary is less clear and the Board, or Directors, may choose to be invited to lend their expertise to core or strategic activities.

This Charter seeks to provide guidance on how to manage these challenges.

Charter Purpose

The purpose of the Charter is to:

- formalise procedures to help ensure that EA and the Board acts in a transparent and dutiful manner in both its internal and external dealings
- ensure that appropriate checks and balances are in place to monitor the operations of the EA Board, Board members and those charged with the management of EA
- provide a transparent standard for stakeholders to evaluate the performance of EA’s corporate governance.

The Charter does not seek to repeat, but amplify, the Constitution. Where a conflict exists between the Charter and the Constitution, the Constitution takes precedence.

Responsibilities

The leadership and governance of EA is vested in the Board. While the Board comprises individual Directors, the Board makes decisions collectively and “speaks with one voice”.

The Board’s key responsibilities are:

- to act in the interests of EA and its members as a whole;

- observe their duties as Directors in terms of
 - the Corporations Act 2001 (Cth) (the Act);
 - the EA Constitution,
 - common law, and
 - any other relevant legislation; and
- provide strategic direction for EA and effective oversight of management.

In carrying out its responsibilities and powers as set out in this charter, the Board will at all times recognise its overriding responsibilities to discharge its duties in good faith, with care and act honestly in the best interests of the organisation.

Roles and functions

The role of the Board is to provide strategic direction and oversight of EA's activities and ensure that EA's activities are aligned with its purpose, performed in a compliant, accountable and operationally effective manner, and executed within a framework of accepted risk.

The key functions of the Board are governed by the Corporations Act, the EA Constitution and common law. The functions include:

- protecting, promoting and preserving EA's reputation and standing as a community and national sporting organisation
- setting core values, ethical framework, strategic direction and objectives; and ensuring resources are aligned accordingly
- monitoring key financial and non-financial risk areas by ensuring the implementation of an effective risk management and internal control framework
- oversight of compliance with appropriate laws and regulations and major litigation
- approving the annual budget
- reviewing and approving the annual report and financial statements
- appointing external and internal auditors and approving their respective annual audit fees
- supporting, reviewing and monitoring the operational and financial performance of EA
- considering and agreeing direction on key issues including EA organisational structuring, resourcing, capital management, significant contracts, capital expenditure and divestitures
- creating, overseeing and appointing people to Committees and Sub-Committees where appropriate to assist in the Board's functions and strategic priorities
- making, adding to, altering or rescinding EAs rules, regulations and by-laws as necessary to ensure effective governance of the sport
- ensuring effective communication with stakeholders

- appointing, supporting and providing advice and counsel to, evaluating and rewarding the Chief Executive Officer (CEO)
- actively overseeing the growth of the management talent pool and approving management succession plans
- the nomination and appointment of Directors, membership and role of Board Committees, including appropriate succession planning; ensuring a diverse and effective Board and committee membership
- implementing appropriate strategies to monitor performance of the Board and Directors
- managing Directors' interests, conflicts of same and related-party transactions
- ensuring a strong working relationship with the Australian Sports Commission, the Australian Olympic Committee, the State Equestrian Organisations, the FEI and other relevant stakeholders
- any matters in excess of the limits delegated to the CEO and senior management.

Board appointment and tenure

The Board is made up of no less than five and no more than eight Directors.

One Director is an athlete representative, who holds voting rights but is not counted in forming a quorum.

The other Directors are independent, as defined in the Constitution, and:

- are not a member of management, a non-executive director
- are not a director, officer or executive with a member state organisation
- have not within the last three years been a principal or a material professional adviser, or a material consultant or a material supplier to EA
- have no material contractual relationship with the organisation, other than as a Director of EA
- have been free from any business relationship which could, or could reasonably be perceived to, interfere materially with the Director's ability to act in the best interests of the organisation.

Directors are appointed in accordance with the Constitution. They may be appointed as Elected Directors at an AGM for three years, or as an appointed Director by the Board for the remainder of the Elected Directors tenure. An Elected Director may hold a Director's appointment for three consecutive terms, a total of nine years.

The CEO is not a Director.

Directors are not remunerated. They may receive reimbursement of out of pocket expenses incurred in carrying out their Director's duties, in accordance with EA policies.

Board office holders

At its first meeting after each AGM, Directors must elect a Chair.

The Board may also elect other officers, including a Deputy Chair, if required.

A Board office holder remains in their position until:

- the next AGM, or
- their appointment as a Director expires, or
- they are removed as a Director or vacate their position as a Director.

The Board may appoint a Company Secretary in accordance with the Act.

The Company Secretary must provide their signed consent prior to their appointment.

The Company Secretary may hold the appointment for three years. A Company Secretary may be appointed for three consecutive terms. The Board may remove a Company Secretary.

The Company Secretary is not a Director but is an Officer under the Act.

Chair Responsibilities

The Chair's role is a challenging one as both a Director and leader of the Board. The Chair is not the leader of EA, that role is vested in the Board. The Chair does give a single voice to Board decisions and will be constantly challenged to ensure the Board's intent is properly reflected in any communication.

Equally the Chair provides a conduit for the Board to communicate as whole with the CEO and to provide insight to the CEO on Board expectations, but the CEO does not work to the Chair, but the Board as a whole.

The Board should select a Chair who is an experienced Director, capable of balancing the many challenges.

The Chair's responsibilities include:

- providing leadership for the Board and chairing all Board meetings at which the Chair is in attendance
- assisting and guiding the Board to develop a program of work and ensuring focus and direction is maintained; and the Board's workload is dealt with effectively
- setting the agenda for each Board meeting, in conjunction with the CEO, and modelling it against the Strategic Plan to ensure appropriate structure and monitoring
- maximising the use of talent within the Board to support EA outcomes while ensuring that all views are heard equally
- developing an inclusive and respectful Board that prepares, contributes and accepts debate openly, promoting constructive and respectful relationships between Directors

- conducting an effective decision-making process, and recording those decisions
- providing a single voice for the Board, in representation with stakeholders and the CEO, ensuring Board direction and intent is properly communicated
- ensuring the Board maintains good communication and consultation with the Australian Sports Commission, the Australian Olympic Committee and the State Equestrian Organisations and other relevant stakeholders on significant issues, as appropriate
- ensuring the effectiveness of Board meetings
- ensuring Directors act in accordance with the Constitution, this Charter and relevant laws
- ensuring that all new Directors undergo an appropriate induction program
- together with the CEO and Company Secretary, ensuring that appropriate Board papers are prepared on all matters for decision at Board meetings and that such papers are circulated in advance as specified in the Board Papers section in this Charter
- chairing Annual General Meetings and special meetings of members, and being the spokesperson for the organisation at AGMs and in reporting performance and budget figures
- ensuring the Nomination and Remuneration Committee initiates and oversees the annual CEO evaluation process.

The Chair is to

- provide a written Chair's Report at each Board meeting, including a copy of all correspondence outside of the Board and CEO since the last Board meeting
- author the Chair's statement in the EA annual report for Board for approval
- ensure Chair communication reflects a collective Board position and that the communication is on behalf of the Board
- ensure that all public statements are approved by the Board prior to release, unless otherwise agreed.

Deputy Chair

The nature of the EA Board is such that both the sporting and corporate or Board knowledge, necessary to be an effective Chair, may not reside in a single person. The wise choice of a collaborate Chair and Deputy Chair will serve to overcome that weakness.

The role of the Deputy Chair, if appointed, is to assist the Chair in performing their role, particularly regarding governance matters.

In addition, the Deputy Chair fulfils the responsibilities of the Chair if the Chair has temporarily vacated their position or is not present at a meeting of the Board.

Company Secretary

The Company Secretary is responsible for advising the Board on governance matters and ensuring there is a system of corporate governance and compliance in place in the Company. The Company Secretary ensures that EA meets its statutory obligations and provides advice to Directors on matters including, but not limited to, risk management, corporate ethics, governance, compliance and insurance.

The Company Secretary works in conjunction with the Chair to manage the smooth functioning of the Board by managing Board processes and ensuring Board meetings are properly held and called and appropriate.

If a Company Secretary is not appointed, the CEO fulfils the role of Company Secretary.

Directors

Directors have a fiduciary duty, the obligation to act in the best interests of the organisation and its members. Directors' obligations are clearly articulated in the Constitution, and the Corporations Act.

Directors are expected to:

- act honestly, fairly, diligently and in accordance with the law in serving the interests of EA, the Board, employees, volunteers, stakeholders and the community
- abide by the terms of EA's Code of Conduct and to uphold the ethical standards and corporate behaviour described in the Code
- operate in a manner reflecting the values of EA and in accordance with its agreed corporate governance guidelines, the Constitution, the Corporations Act and all other applicable laws and regulations
- work collegiately and respectfully with other Directors,
- be prepared for Board meetings by having read and formed views on, and contributed to discussion where appropriate, on agenda papers prior to the meetings
- maintain confidentiality of Board meetings and proceedings
- avoid or declare real or perceived conflicts of interest
- attend the AGM
- invest in the development of their professionalism and capabilities as a Director.

Confidentiality

The Corporations Act obligates Directors not to use confidential information in their own interest or to the detriment of the organisation. However, that is insufficient to cover the circumstances under which a Board operates.

All proceedings of the Board and its committees are strictly confidential and will not be disclosed to any person other than Directors, except as agreed by the Board or as required by law.

Directors are expected to sign the attached Deed of Non-disclosure (NDA). A decision by a Director to not sign the NDA will be respected but may be considered grounds for a conflict of interest in some Board discussions, requiring that they are excused from those discussions.

Conflicts of Interest

Directors have a fiduciary and statutory duty not to place themselves in a position which gives rise to, or is perceived to give rise to, a real or substantial possibility of conflict, whether it be a conflict of interest or conflict of duties.

Directors are to:

- declare existing or potential material conflicts to the Company Secretary when appointed and on an ongoing basis as the need arises to enable the Company Secretary to maintain a register of Directors' interests and potential related-party conflicts.
- provide an annual declaration to the Company Secretary for the purpose of updating the register of interests
- when a conflict of interest arises, leave the Board meeting and not vote on any resolution that relates to the conflicted issue, unless the Directors who do not have a material interest in the matter have passed a resolution that identifies the Director, the nature and extent of the Director's interest in the matter and his or her relationship to the affairs of the organisation and states that the interest should not disqualify the Director from voting on the issue
- if a Director has provided notice on a material conflict the Company Secretary will ensure that the Director does not receive Board papers or other information related to the conflict.

Indemnities and Insurance

Each Director, on appointment, shall execute a Deed of Indemnity with EA. EA provides an indemnity to Directors, in accordance with the Constitution, to the extent they are indemnified under the Act. Specifically:

- each Director or retired Director is indemnified against liability the Director may incur to another person (other than to EA or a related body corporate)
- the indemnity includes costs and expenses incurred in legal proceedings
- in accordance with the law a Director is not indemnified for any liability arising out of negligence or lack of good faith
- if the Director or retired Director has incurred a liability to which the indemnity applies then the Director need not incur any expenses before enforcing the right to the indemnity

- where the indemnity covers a claim against a Director, EA is entitled to assume the conduct, negotiation or defence of the claim and the Director must co-operate with the Organisation in relation to the claim
- in certain limited circumstances a Director may engage separate legal advisers.

EA will maintain Directors and Officers Insurance. Details of the policy are available from the Company Secretary on request. The insurance is reviewed annually and, if requested, Directors are required to truthfully answer all questions in the insurer's proposal document and to disclose any information to the insurer which would be relevant to the insurer's assessment of the risk

A Director has both a common law and a statutory right to inspect the documents and financial records of EA at reasonable times. This right applies to all Directors regardless of whether they have specific financial responsibilities, but a Director cannot extend the right to third parties. Access to documents can be made through the Company Secretary at no cost to the Director.

For the purpose of certain legal proceedings this right extends for a period of seven years after a person has ceased to be a Director.

[Access to professional advice](#)

Directors and Board Committees have the right, in connection with their duties and responsibilities, to seek independent professional advice at EA's expense, subject to:

- prior approval of the Board which is not to be unreasonably withheld
- information so obtained is shared with all Directors or Committee Members as appropriate.

[Reliance on information](#)

Directors are entitled to rely on information and advice after making an independent assessment of the information or advice, having regard to the Director's knowledge of the organisation and its operations.

The Board reduces the risk of the CEO being the only conduit of information to the Board by:

- encouraging attendance at meetings of other managers both in person and as authors of reports
- the use of the risk management and financial functions, where all staff have written instructions to bypass intermediate managers in the event of a breach
- the use of the external auditors
- a three-year rotating internal audit cycle that focuses on major business risks such as governance, research, security, privacy and finance
- absenting management from the final Committee proceedings at one point when discussing the audit report

- requiring letters of assurance be provided to the Board as part of the annual accounts process.

CEO and CFO assurance

The Board requires that the CEO and where applicable, the CFO or Finance Manager, state in writing to the Board that EA's financial reports present a true and fair view, in all material aspects, of the company's financial condition and operational results and are in accordance with relevant accounting standards.

This statement is to be complemented by a statement that indicates that financial reports are founded on a sound system of risk management and internal compliance and control which implements the policies adopted by the Board, and that this system of risk management is operating efficiently and effectively in all material respects.

Relationship with Management

Management of the day to day business of EA is to be conducted by or under the supervision of the CEO, and by those to whom the management function is properly delegated by the CEO.

While Directors have a right to information about EA's operations and activities, unfettered and unstructured demands for information can be a major imposition on the work of EA staff. Directors are asked to consider what information they do need, for what purpose and to discuss how best to structure requests to minimise the impact and gain the best outcome.

Where requests are frequent or are causing an unacceptable impost, the Chair may intervene to assist in structuring demands.

Communication between Directors and management will primarily be through the CEO.

When Directors seek clarification regarding information provided to Directors, or are seeking information about EA generally, this may be sought directly from the appropriate staff member, but the CEO should be advised. When Directors are providing information about opportunities for EA, this should always be through the CEO.

Where the Board establishes a Working Group that may cross from governance into management activity, the Chair of the Working Group is to coordinate the activities with the CEO.

Board, Chair, Directors and CEO Performance Review

Effective Boards require and benefit from continual review, assessment, and improvement of weaknesses. This is a process of individual and corporate improvement. The Board, through the Nomination and Remuneration Committee, shall:

- review Board performance and effectiveness annually
- review performance of the Chair annually

- set the performance criteria of the CEO in conjunction with the Board and undertake a performance review annually
- review the performance of at least two Directors annually, on a rotational basis. A Director shall not be reviewed in their first 12 months of their election or appointment.

The Nomination and Remuneration Committee shall also review the Board Charter annually and bring proposed changes to the Board.

The Board and Crisis Management

The Board has two key roles in a crisis situation, one prior to the crisis and the other during.

Prior to any crisis, the Board is to ensure that there is in place a comprehensive crisis management plan that has been tested and employees have been trained in its execution.

During any crisis, the Board will fully support management in its continuity and recovery effort. The Manager responsible for Marketing and Communications will advise on urgent media and communications issues.

The chief spokesman during any crisis will be the CEO supported by specified members of senior management, the head coach/chief d'équipe, or the Chair as needed.

The Board Work Plan

The Annual Board Work Plan is structured around:

- the EA Strategy, the oversight of its implementation, and its renewal
- governance obligations, the annual report and the AGM
- Board membership, performance review and assessment, and renewal
- compliance assurance
- risk review
- financial and operational performance.

The meeting frequency and agenda is defined by this work plan.

Scheduled Board meetings

The following applies:

- There are to be a minimum of nine planned Board meeting per year. One will be conducted in conjunction with the AGM,
- Agenda items are submitted to the Company Secretary 14 days before the meeting.
- Board papers are to be submitted and distributed seven days before the meeting.
- Any supplementary commentary or questions by Directors are to be submitted and distributed no later than three days prior to the Board meeting. These may be broadcast directly to all Directors with a copy to the Company Secretary.

The agenda is to follow the following standard format:

- Any un-minuted and in-camera Board only conversation is to be held for at least 15 minutes prior to the formal start of the Board Meeting and the joining of the CEO and other members of the management team.
- Meeting opens and management joins.
- Attendees and apologies.
- Conflicts of Interest and declaration of Common Interest.
- Urgent issues that are not on the agenda that may need to be considered. The Board is to decide if and how they are to be addressed. This should take no longer than 15 minutes.
- Approval of minutes.
- Active actions register review.
- Agenda Items for decision.
- All agenda items, including those initiated by management, that require a decision will be presented as a Board paper on the EA Board template with the proposed resolution included.
- Agenda items for discussion and/or noting, including management reports.

It is anticipated that

- Three meetings a year are primarily dedicated to strategy development, implementation, and review.
- The Board will meet regularly without management staff to discuss sensitive issues.
- The CEO will attend most Board meetings, supported by secretariat staff.
- CEO direct reports and other principal authors of Board papers and reports, will present their papers personally.

Additional items will only be added to an agenda after publication of the Agenda by Board resolution.

Unscheduled Board meetings

From time to time unscheduled Board Meetings will be necessary to accommodate with crisis or unplanned workload. A Board meeting may be held:

- at any time with agreement of 75 per cent of Directors.
- with two working days' notice and a quorum.

All unscheduled Board meetings are to have an agenda and agenda papers. The agenda may be limited to:

- attendees

- conflicts of interest
- items for decision.

Out-of-Session Decision Making

Any urgent decision that cannot wait until the next Board meeting may be dealt with by a written resolution out-of-session. Out of Session Decision making is not encouraged. Out of Session Decisions are made by the circulation of a Board paper distributed by e-mail to all Directors with a closing date set for voting on the matter.

The decision will be made by a simple majority at a nominated closing date. All Directors are required to make every effort to vote on the resolution by the closing date. A quorum is required for a decision to be recorded.

The collated copies of written resolutions, or the collated email responses, will be the record of the decision and should be notified to the Board at the next Board meeting and included in the record of the resolutions.

Board Quorum

In accordance with the constitution, a Board quorum is four elected members.

Record keeping and note – taking by Directors

The Company Secretary or delegate maintains a complete set of Board papers at EA's headquarters. The official records of Board meetings are kept by the Company Secretary.

Directors may choose at their discretion to keep their own personal notes or comments on Board papers. Personal notes and comments are discoverable under law and Director's should proceed with caution in this regard.

Board Minutes

Minutes of the Board meeting follow the outline of the meeting agenda and contain at a minimum:

- date, time and location of the meeting
- list of participants, positions and apologies
- conflicts of interest identified with any items on the Board agenda
- agenda items discussed with resolutions adopted
- actions arising from the meeting
- unresolved items and items postponed or not considered, with an explanation.

Minutes are to provide a summary of discussion and do not assign comments to individuals. Decisions, while made as a simple majority in the meeting, are recorded as a determination of the Board as a whole, as per the Constitution.

Minutes are prepared in draft form by the Company Secretary and provided to the Chair for review within seven to ten days of the meeting. Once the draft minutes have been approved by the Chair, the Company Secretary circulates the draft minutes to all Directors.

Directors should send any suggested changes to the Company Secretary with a copy to the Chair within ten days of receiving the draft minutes.

The minutes circulated for the next meeting are the draft minutes plus any suggested changes. If the next meeting is not within 45 days of the meeting, then draft annotated minutes are kept in the Company minute book, to be replaced by the signed minutes at the conclusion of the next meeting.

The proceedings of all Board meetings are confidential, and the distribution of the board papers and minutes of board meetings will be restricted to members of the Board, the Company Secretary, and the CEO. The Board may agree a communique on Board considerations for wider dissemination. At the Chair's discretion an extract or elaboration of the minutes may be circulated for the purposes of communicating decisions within the organisation.

The minutes of the meetings are confirmed and signed at the next Board meeting. The Chair is to sign the file copy of the minutes as a true and accurate record of proceedings.

Board Committees

Board Committees are essential to the operation of EA, particularly the operation of sporting disciplines.

Each formally constituted Committee, including ad-hoc Committees is to have a written charter, approved by the Board. Short duration working groups may have a charter or terms of reference approved as part of a Board Resolution.

The existence of Committees does not imply a fragmentation or diminution of the responsibilities of the Board as a whole.

The role and responsibilities, charter and performance of each committee are reviewed annually by the Board.

The present Board Committees are:

- High Performance Panel
- Finance and Risk Management Committee
- Nomination and Remuneration Committee
- sport Discipline and Coaching committees

The following powers and functions of the Directors may not be delegated and must be exercised by the Board: receipt and consideration of reports of the Finance and Risk Management Committee and the auditor

- establishment and membership of committees of the Board
- appointment of the CEO and the formation of selection panels for appointment of the CEO
- acquisition, sale, mortgaging or otherwise disposing or dealing with real property, except leases.

The Board and IT

The Board is seeking to adopt collaborative IT solutions to share Board and working papers and enhance the conduct of meetings. Directors are expected to have sufficient IT expertise and infrastructure to be able to adopt standard user products such as videoconferencing and document file shares.

Board meetings may be conducted by phone, collaborative IT tools or circular resolution.