



# BOARD CHARTER

## Board Charter

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Australian Fencing Federation Limited ACN 161 544 752 (**AFF**)

### Version History

<b>Date</b>	<b>Change/ Action</b>	<b>Approved by</b>
9 November 2021	Initial release	AFF Board

## 1. Purpose of this Charter

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The Australian Fencing Federation Limited (**AFF** or the **Organisation**) is the National Sporting Organisation (NSO) for the Olympic sport of fencing.

The AFF's vision is to have fencing recognised as an exciting, accessible and challenging sport providing opportunities for participation at all levels – recreational, competitive and elite.

The mission of the AFF is to administer and promote the sport of fencing in Australia through national plans and programs, services and opportunities that enable athletes to reach their maximum potential.

The AFF has established this Board Charter (**Charter**) to clearly define the respective roles, responsibilities and authorities of the board of directors (both individually and collectively) and management in setting the direction, the management and the control of the organisation.

The conduct of the Board is also governed by the Constitution of the AFF a copy of which is located on its website. Operational matters relating to the Board such as number of meetings per year, notification of interests, and election of directors are governed by the Constitution and are not reproduced here.

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

The Board considers governance to be the system or process by which the Board, exercising accountability to stakeholders, is directed and controlled to achieve sustainable improvement in the Organisation's prosperity commensurate with the risks involved.

## 2. Responsibilities and functions

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The Board's key responsibilities are:

- to act in the interests of the AFF as a whole;
- observe their duties as Directors in terms of the *Corporations Act 2001* (Cth) (**the Act**), common law, the AFF's constitution and any other relevant legislation; and
- provide strategic direction for the AFF and effective oversight of Management.

The key functions of the Board include:

- The appointment of Directors.
- Ensuring an effective and diverse Board, in line with the Organisation's constitution with appropriate policies and procedures for the Board and its committees.
- Appointing a President and Chairman.
- Appointing, supporting and providing advice and counsel to, evaluating and rewarding the Chief Executive Officer (**CEO**), taking an active role in overseeing the growth of the Management leadership talent pool and approving the Management succession plans.
- Through constructive engagement with key stakeholders, review, add-value to, approve and monitor the Organisation's purpose, core values, ethical framework, strategic direction and objectives.
- Supporting, reviewing and monitoring the operational and financial performance of the Organisation.
- Monitoring key financial and non-financial risk areas.

- Consider and agree on Commission, Committee and management recommendations on key issues including organisational structuring and resourcing, capital management, significant contracts and capital expenditure.
- Make, add to, alter or rescind any Organisation rules, regulations and Policies as it sees fit.
- Manage Directors' interests, conflicts of same and related-party transactions.
- Manage delegation of powers and authorities, while understanding the Board remains responsible for all decision of the Organisation.
- Ensure compliance with appropriate laws and regulations and major litigation.
- Evaluate Board processes and performance of the Board as a whole, as well as contributions by individual Directors, ensuring the Board's effectiveness in delivering good governance, including performance and conformance matters.
- Attend to corporate governance matters, including frequency and agendas of Board and Committee meetings, and the appointment of the Company Secretary.
- Attend to matters pertaining to Members including meetings, communications and relations; and
- Ensure that there is a strong working relationship with Sport Australia including regular communication on major issues confronting the Organisation.

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

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

- The Board is comprised of a minimum of three and a maximum of eight Directors.
- Not more than five Directors are to be elected by the Members.
- Note more than two directors may be appointed by the Board not including the Athletes Director.
- The Board must appoint one director as an Athletes Director in accordance with 13.10(ii) of the Constitution.
- The Chair of the Board is elected by the Board.
- The President of the AFF is elected by the Board. and
- The Directors shall be independent as defined within the constitution and this Charter.

### **4. Director letter of appointment**

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The Chairman will provide each new Director with a formal letter of appointment setting out the basis of appointment and this Charter.

### **5. Director Induction and Education**

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Each new elected and appointed Director undertakes an induction process which involves the following activities:

- An individual meeting with the Chair and/ or CEO to discuss expectations, duties, and responsibilities.
- The provision of an introduction package of materials in relation to the Organisation and Board, including the constitution, Code of Conduct, Conflict of Interest Policy, this Charter, the Strategic Plan, and any other relevant documents.

The Board collectively, and as individual Directors, shall undertake on-going education and training to enhance their performance.

## **6. Criteria for assessing Directors' independence**

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The Board shall regularly assess the independence of each Director in light of the interests disclosed by them.

Each Director must provide the Board with relevant information to assess their independence.

In assessing independence, the following matters will be considered and a Director will be regarded as independent if that Director:

- Is a non-executive Director (i.e. is not a member of Management).
- Is not a director, officer or otherwise officially associated directly with a Member State or affiliated organisation.
- Has within the last three years not been a principal of a material professional adviser or a material consultant to the Organisation or an employee materially associated with the service provided.
- Has not been a material supplier of the Organisation, or an officer of or otherwise associated directly or indirectly with a material supplier.
- Has no material contractual relationship with the Organisation, other than as a Director of the Organisation.
- Has 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.

## **7. Chair's Responsibilities**

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The Chair of the Board has a major role as the head of the Board in providing leadership to the Directors and other functions including:

- leading and facilitating the Board;
- setting the Board direction and focus;
- conducting an effective decision-making process and ensuring that the Board is focussed on achieving outcomes;
- ensuring that no one has excessive influence;
- maintaining a professional working relationship with the CEO;
- acting as a spokesperson, where appropriate, in conjunction with the CEO;
- promoting constructive and respectful relations between Directors;
- ensuring that each Director appropriately contributes to the Board's decision-making process;
- ensuring the Board and individual Directors have a performance evaluation process;
- ensuring that the Board's workload is dealt with effectively;
- setting the agenda for each Board meeting, in conjunction with the CEO and other Directors, and modelling it against the Strategic Plan to ensure appropriate structure and monitoring;
- role-modelling ethical standards and behaviour based on the Organisation's agreed values;
- communicating and consulting with Sports Australia and other relevant stakeholders on significant issues, as appropriate; and

- ensuring meetings are effectively conducted and minutes are circulated and acknowledged in a timely manner.

## 8. Board Committees and Commissions

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The Board may establish from time-to-time appropriate Committees or Commissions to assist the Board by focussing on specific responsibilities in greater detail than is possible for the Board as a whole, reporting to the Board and making any necessary recommendations.

A reference to a committee includes a reference to a sub-committee, commission or working group. The terms are interchangeable.

Each formally constituted Committee, including ad-hoc Committees has a written charter or term of reference, approved by the Board.

The membership, role and responsibilities, charter and performance of each committee are reviewed at least bi-annually by the Board.

## 9. Conflicts of Interest

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Directors have a duty to act honestly and in the best interests of the Organisation and not to misuse position or information to gain unfair advantage, and to disclose conflicts of interest.

Potential conflict of interests of Directors may include:

- Holding a position within the sport's membership.
- Holding a contract with the company (e.g. supply of services).
- Having a related party loan, guarantees and other transactions.
- Profiting from an opportunity that rightfully belongs to the Organisation.

To manage conflict of interests in accordance with the requirements of the Act, the Board requires the following guidelines to be adhered to by Directors:

- Declare existing or potential material conflicts to the Company Secretary and Chair when appointed and on an ongoing basis as the need arises to enable the Organisation to maintain a register of Director's interests and potential related party conflicts.
- Provide an annual declaration to the Company Secretary and Chair for the purpose of updating the register of interests and related party transactions.
- 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 their 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; and/or
- There can be no financial benefit given to a related party of a Director (including spouse, a de facto spouse, parents, children and certain related corporate entities) unless approved by the Board.

The Company Secretary should arrange to provide a standing notice about an interest and will record it in the Board minutes.

## 10. Indemnities and Insurance

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A director has both a common law and a statutory right to inspect the documents of the Organisation. The Act provides that a Director is entitled to access to financial records at all reasonable times. This right applies to all Directors regardless of whether they have specific financial responsibilities, but a Director cannot extend the right to 3rd parties. Access to documents can be made through the Chair at no cost to the Director.

For the purpose of certain legal proceedings a person who has ceased to be a Director has a right to access all books of the Organisation (including its financial records) at all reasonable times. This right extends for a period of 7 years after a person has ceased to be a Director.

## 11. Deed of Indemnity

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The AFF may prepare a Deed of Indemnity for the Directors and others.

If a Deed of Indemnity is prepared a Director shall execute the Deed of Indemnity with the Organisation in which the Organisation provides an indemnity to the Directors 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 the Organisation 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, the Organisation 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; and
- In certain limited circumstances a Director may engage separate legal advisors.

## 12. Directors and Officers Insurance

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Included in the annual agenda structure is the review of the Directors & Officers Insurance policy. Written details of the policy are to be provided to the Board. Each Director is 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.

The Organisation has agreed to pay the Directors & Officers Insurance premiums and not to do anything which may prejudice this policy.

### **13. Company Secretary**

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The Company Secretary is accountable to the Board through the Chair on all governance matters.

All Directors have direct access to the Company Secretary.

The appointment and removal of the Company Secretary is a matter for decision by the Board as a whole. The position of Company Secretary can also be held by the CEO.

### **14. Access to Professional Advice**

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

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

### **15. Chief Executive Officer**

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The CEO is responsible for the overall day-to-day management and the performance of the Organisation. The CEO manages the Organisation in accordance with strategy, delegations, business plans and policies approved by the Board to achieve agreed goals and objectives included therein.

### **16. President to act as CEO**

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The AFF is largely operationally governed by volunteer labour. At publication of this Charter, the AFF does not have the means to identify, remunerate and appoint a suitably qualified CEO.

Accordingly, in all matters the AFF President will act as CEO as described in the AFFs Constitution and AFF Policies, and this Charter.

If the AFF determines in the future to appoint a CEO, the AFF President will cease to act as CEO and will act as President and Chair.

### **17. Strategic Direction and Oversight**

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The Board reviews the Organisation's long-term strategic plans and the major issues that it and management expects the Organisation to face in the future.

The Board sets the broad parameters for the preparation of the Organisation's Strategic Plan.

The Board only approves the Strategic Plan after conducting a rigorous review, including considered stakeholder input on major strategic initiatives.

The review includes a thorough understanding of what is required to successfully execute the Strategic Plan.

The Board approves a performance management system that has key performance measures (budget and financial/non-financial KPI's) aligned with the Strategic Plan and ensures that the remuneration of Management (including the CEO) is aligned with the achievement of strategic outcomes.

## **18. Board Meeting Annual Agenda**

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The Board will establish and endorsed by the end of January each year its annual meeting timetable and agenda. The annual agenda should be aligned with the strategy cycle of the Organisation and bring many governance aspects of this charter to life.

The annual agenda dictates the dates, times and locations of Board meetings in the upcoming year.

## **19. Board Meeting**

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Directors have adopted the following procedures:

- There are a minimum of five Board meetings per year, including one meeting dedicated to strategy development and review.
- Proper and timely notice of meetings is provided with an outline of proposed business.
- Agenda papers.
- An action list is presented to ensure all outstanding items are dealt with, including monitoring progress of past decisions.
- A general business item is on the agenda so that Directors may add items for discussion or information.
- Minutes are clear, accurate and have the appropriate detail; and
- Draft minutes will be distributed to the Directors within 7 days after the meeting.

## **20. Board Meeting Attendance**

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Unless invited by the Chair, only the CEO will attend Board meetings.

Advisors and other parties external to the Board are invited to attend Board meetings by the Chair, as appropriate.

## **21. Access to Management**

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The Board and individual Directors have the power to meet or make inquiry with the CEO outside of scheduled Board or Committee meetings. The Board and individual Directors may meet with Management in consultation with the CEO.

Directors will use their judgment so that contact is not distracting or disruptive to the business operation of the Organisation and will therefore initially raise any material issues or concerns with the CEO.



## **22. Code of Conduct**

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The Organisation takes ethical and responsible decision-making very seriously. It expects its staff, managers and Directors to do the same.

Based on the Organisation's core values, the code is designed to encourage ethical and appropriate behaviour in all Organisation activities and dealings with stakeholders based on the Organisation's core values.

The code also addresses matters relevant to the Organisation's compliance with its legal obligations to all stakeholders.

The Board has an appropriate system for enforcing compliance with the code.

## **23. Corporate Social Responsibility**

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The Organisation is committed to the long-term sustainability of its operation and aims to optimise, or minimise (whatever the case may be), the social, environmental and economic impact of its significant business proposals and ongoing operations for the benefit of all stakeholders.

The Board ensures that the Organisation's Corporate Social Responsibility performance is consistent with its business strategies and brand/reputation.

## **24. Political donations**

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The Organisation does not make political donations.

## **25. Risk Management**

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Risks are any event or action that threatens the assets and earnings of, values or services provided by the Organisation. It is the Board's role to establish a sound system of risk oversight and management and internal control.

The Board has implemented a risk management approach reporting to the Finance, Audit and Risk Committee, based on the following core elements:

- the identification of key business risks;
- the measurement of each identical risk in terms of potential impact and likelihood of occurrence;
- an assessment of the external environment and the control mechanisms in place to manage the risk;
- the development of action plans to manage the risk; and
- constant monitoring of the program and reviewing continued economic justification and/or process improvement opportunities.

To support this formalised process for identifying, prioritising, assessing and managing the key business risks, the Executive Management Team members deal with specific risk areas across the Organisation. This strategy is incorporated on the corporate plan and integrity into business plans, external audit plans and the training program.

The Board regularly reviews the key risks identified by the Executive Management Team through the Audit and Risk Committee. Risk and compliance information is reported to the Audit and Risk Committee.

The Board ensures that the Organisation, at all levels, prescribes to a desired culture and exhibits accepted behaviours that are consistent with the agreed risk appetite.

## **26. Compliance system**

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The Board oversees the performance of an effective compliance system which requires, at a minimum, that:

- The Organisation complies with all relevant statutes, regulations and other requirements places on it by external bodies.
- Effective internal controls exist and there is full and accurate reporting to the Board in all areas of compliance; and
- The Organisation is financially secure and is able to meet all its financial obligations when they fall due, in the normal process of business.

## **27. Policy and Procedures**

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The Board is responsible for:

- The development, enforcement and review of delegations (financial and non-financial).
- Approving and monitoring compliance with all significant policies and procedures by which the Organisation is operated; and
- Approving policies and procedures designed to ensure the Organisation operates at all times within applicable laws and regulations and in accordance with the Organisation's values and ethical standards.

## **28. Board's Role in Critical Incident Management**

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

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

During any critical incident, 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 critical incident will be the CEO or the Chair as needed.

## **29. Integrity of financial reporting**

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The Board ensures that a structure of review and authorisation is designed to ensure the truthful and factual presentation of the Organisation's financial position and performance.

The structure is overseen by the Finance, Audit and Risk Committee, although this delegation does not diminish the ultimate responsibility of the Board to ensure the integrity of the Organisation's financial reporting.

## **30. CEO assurance**

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The Board requires that the CEO and where applicable, the Finance Officer, state in writing to the Board that the Organisation'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 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.

## **31. Annual Report to Members and other stakeholders**

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The Board provides the Members and other stakeholders with a comprehensive annual report outlining how they fulfilled their governance role, the achievements of the Organisation, the aspirations of the Organisation and sufficient financial information so that members can make a judgment as to how effectively the Board is fulfilling its role.

## **32. Annual General Meeting**

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The Organisation encourages effective communication with Members and their effective participation at general meetings and has strategies in place to effect this.

All Directors are expected to attend Annual General Meetings.

## **33. Board, Chair and Directors Effectiveness Performance Assessment**

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The Board through the Nominations Committee, reviews its own performance and that of the Board Committees annually.

The performance of the Chair shall be reviewed annually.

The performance of at least two Directors shall be reviewed each year on a rotational basis so that each Director has their performance evaluated each term. No Director shall be required to undergo a performance evaluation in the first 12 months of their election or appointment.

These processes ensure that the Board and Board Committees are working efficiently and effectively in discharging their responsibilities (against measurable and qualitative indicators).

## **34. Review of CEO Performance**

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The Board sets the performance criteria for the CEO, which are regularly reviewed by the Board.

The Nominations Committee facilitates the performance review, with all the Directors have an opportunity to contribute to the review.

## 35. Directors' Remuneration

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Directors are reimbursed all out-of-pocket expenses incurred by them in carrying out their duties as Directors.

The CEO handles all reimbursement matters.

## 36. Charter Review

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The Board reviews this charter regularly and makes changes as necessary.

The Board is responsible for monitoring and maintenance of this charter.

## 37. Definitions

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**AFF** means the Australian Fencing Federation Ltd.

**AFF Board** means the Board of Directors of the AFF.

**AFF Constitution** means the Constitution of the AFF.

**AFF Policies** means the Policies of the AFF as published from time to time.

**AFF President** means the Chairman and President of the AFF as appointed by the AFF Board and pursuant to the AFFs Constitution.

**Committee or Commission** means a Committee or Commission established by the AFF Board.

**Delegation** means the assignment of authority, function, task, or decisions.

**Finance Officer** means the person that holds the role of Finance Officer.