



BOARD CHARTER

Summary

*Canberra CBD Limited is a not for profit with the legal form of a company limited by guarantee.
It trades as In The City Canberra.
This Board Charter recognises the importance of good corporate governance to the organisation.*

THE BOARD CHARTER

This Board Charter provides an overview of In The City Canberra’s governance guidelines. It should be read in conjunction with the Constitution, In The City Canberra’s Funding and Performance Agreement with the ACT Government and relevant policy documents.

The Constitution and Funding and Performance Agreement with the ACT Government are legally binding and should be read by all Board members.

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GOVERNANCE ROLES

In The City Canberra (ITCC) through its Board Charter, Constitution and other policy and role statements seeks to clarify the role of the Board and individual Director responsibilities and expectations.

Roles

The Board

The role of the Board as a collective body is to:

- determine, review and maintain the vision, purpose and values of the ITCC;
- approve the annual budget;
- approve short and long term strategies;
- approve expenditure over pre-specified limits;
- appoint, evaluate the performance of and, if circumstances warrant it, terminate the CEO's employment;
- support the effective engagement with key stakeholders;
- oversee risk;
- approve and monitor performance of all projects; and
- provide a check on the integrity of external financial and non-financial reports.

In The City Canberra delivers most its work through projects. It is the role of the Board to ensure that the portfolio of projects it delivers aligns with the strategic plan, is balanced, manages risk and delivers agreed outcomes.

Individual Directors

Directors are to act at all times, with due care and diligence in discharging their duties and fiduciary responsibilities under the Corporations Act (and in compliance with the conduct set out in this document). Directors decide what matters are delegated to management and what controls are in place to oversee the operation of these delegated powers.

The role of the Chair of the Board

The Chair of the Board acts as an important link between the ITCC Board and the CEO. The role of the Chair is not defined in the *Corporations Act 2001*. Thus, many functions of the Chair are customary rather than formalised by law. For ITCC the role includes:

- taking the Chair at Board meetings;
- leading the Board in setting strategic direction and ensuring it aligns with achieving the organisation's mission;
- ensuring the culture of the organisation is ethically sound, responsive, innovative, adaptive to its environment (a "learning culture");
- taking the lead in recruiting Board members and managing Board composition;
- evaluating the performance of individual Directors and the Board as a team;
- acting as the Board's link to management;
- taking the lead in the Board's role of recruiting, evaluating and if necessary dismissing the Chief Executive; and
- leading the Board in building relationships with key external entities and persons.

The role of the Company Secretary

ITCC must have at least one Secretary who is to be appointed (and suspended and removed) by the Directors. The Secretary holds office on the terms and conditions (including as to remuneration) and with the powers, duties and authorities, as determined by the Directors. The exercise of those powers and authorities and the performance of those duties by a Secretary is subject at all times to the control of the Directors.

The Company Secretary plays an important role in supporting the effectiveness of the Board by monitoring that Board policy and procedures are followed, and coordinating the completion and dispatch of Board Meeting agenda and briefing materials. The Company Secretary is accountable to the Board, through the Chair, on all governance matters.

The role of the CEO

It is the role of the CEO to implement the strategy approved by the Board, to get the right results and delivery outcomes, without too much direct Board involvement. The CEO must comply with all reasonable and lawful directions of the Board and provide the Board with information and reports as requested by the Board along with keeping the Board fully informed of all material developments in or relevant to the In The City Canberra's affairs. The CEO's role includes:

- being responsible (subject to the directions of the Board) for the day-to-day management of the Company's business and affairs; and
- those duties and responsibilities which from time to time are assigned to or vested in the Executive by the Board;
- promoting the interests of the Company;
- acting in the Company's best interests;
- comply with all laws applicable to the position and the duties assigned to that position; and
- acting in accordance with the standards of behaviour expected of, and commensurate with, the holding of a chief executive officer position.

The CEO Job Description and Contract can provide further details.

Board composition

Board size and composition

The Board comprises ten Directors made up of:

- three Directors nominated by the Property Council of Australia (ACT Division);
- three Elected Directors; and
- four elected casual Directors.

Only Members, or their endorsed representative, are eligible for Board membership.

Skill diversity

The Board will strive, wherever possible, to assemble a group of Directors that will best assist the organisation in achieving its goals. The Board will pay regard to each person's individual background, skills and experience, and how the addition of an individual builds the collective capability and effective functioning of the Board. Skill areas highly sought by the Board include:

- strategic thinking and planning;
- communications and marketing;
- ACT Government;
- sector knowledge (property);
- knowledge of the District;
- accounting and finance; and
- risk management.

The Board will use external advisors as required in areas which may include, but are not limited to, those listed above along with risk management, legal, urban planning and people management.

KEY BOARD FUNCTIONS

The Board and strategy

The Board's role in Strategic Planning includes:

- preparing a Strategic Plan in accordance with the Funding and Performance Agreement;
- determining the vision, mission and strategic priorities of the organisation;
- monitoring and evaluating the degree of success against the Plans and objectives;
- working with management to develop a Business Plan that aligns with the Strategic Plan and meets requirements in the Funding and Performance Agreement;
- supporting management in its implementation of the Plans; and
- periodically (every 3-5 years), coinciding with the term of the Funding and Performance Agreement, or if the environment changes, reviewing the vision, mission and strategies to determine whether they are still appropriate or require amendment.

The Board and the CEO

Both the Board and the CEO have a duty to act in the best interests of In The City Canberra as a whole. The Board's obligations to the CEO include:

- compensation, benefits, and a working atmosphere that make the CEO's position attractive to the best possible candidates;
- a clear duty statement and performance goals;
- regular formal performance reviews;
- constructive informal feedback on job performance;
- rewards for performance; and
- prompt and thoughtful response to request for guidance or assistance.

The CEO's obligations to the Board include:

- commitment to the In The City Canberra's mission and sensitivity to the communities it serves;
- responsible performance of fundamental organisational and administrative tasks;
- an administrative structure and decision-making mechanism that promote a productive working atmosphere and effective staff relations;
- thorough and timely communication with the Board on financial and administrative matters, including risk;

- effective representation of the organisation in the community and commitment to enhancing its public image; and
- prompt and thoughtful response to Board member's requests for information.

Of particular importance is a productive relationship between the CEO and the Chair of the Board to support improved corporate performance.

Performance monitoring

It is part of the role of the Board to have a clear and agreed view as to how success is defined for In The City Canberra. The Board will:

- choose key performance indicators that allow it to track progress against its strategy and purpose;
- select indicators that track both financial and non-financial aspects of performance; and
- seek regular progress reporting from management.

ITCC's Performance and Funding Agreement requires organisational performance to be reported on through an annual report, progress reports and a performance review. It is part of the Board's role to assist management to meet its reporting obligations under the Performance and Funding Agreement

The Board will have in place an annual process in place for evaluating the performance of the Board as required under the Performance and Funding Agreement

Risk management

In managing risk, the Board will:

- have policies and procedures in place to enable effective oversight and management of risk;
- act with due diligence in administering and monitoring the OHS management system of In The City Canberra;
- devote time in its agenda to consider risks;
- have access to external professional assistance and advice in identifying and developing strategies to manage and mitigate risk;
- have management report on the management of risks to the Board;
- discuss its risk appetite; and
- conduct a comprehensive risk governance review (including an assessment of Board effectiveness).

Stakeholder communication and engagement

Board members have a role in strengthening and improving relationships with stakeholders by building goodwill and addressing issues in a positive manner. The Board has a responsibility to understand who its members and stakeholder are and to consider and articulate how it will engage with those groups or individuals. Individual Board members:

- must be aware that their interaction with stakeholders of ITCC shapes how ITCC is perceived by those stakeholders.

- have a role in being visible to their stakeholder community - through participating conferences, meetings, attending events.

It is also expected, but not enforceable, that Board members will attend, where possible, some of the events run by ITCC and/or attend important functions, conferences or other forums to support the organisations.

When speaking publicly about the organisation:

- it is the role of the CEO to speak to operational matter;
- the Chairperson has a role in speaking on policy position, as agreed by the Board, and should serve as the major conduit between the Directors and public including the media;
- individual Board members may speak on behalf of the Board on matters in circumstances where the Board has granted them authority to speak;
- no Board member, including the Chairperson, has authority to act on behalf of the Board other than the authority granted in Board Policy or by resolution of the Board of Directors; and
- individual Board members are not to make comments to Government, media or others, on matters which relate to ITCC (or which could be perceived as being relating to ITCC), which could be perceived as lobbying.

IMPROVING BOARD PROCESSES

Board meetings

The schedule of dates for Board meetings will be agreed one year ahead and be supported by an annual calendar and workplan which identifies important and recurring items.

The Board meets once a month. The frequency of Board meetings is open to review once a year.

The Board will meet for a strategic planning workshop once a year.

Board agenda

The Company Secretary or CEO will prepare a clear and focused agenda for each Board meeting in conjunction with the Chief Executive Officer and the Chair of the Board. Directors have the right and duty to include on the agenda items of concern to them.

Board papers

Where possible papers for Board and Subcommittee meetings will be made available to Directors at least 5 working days prior to the meeting. Board papers should:

- be relevant to agenda items with accurate, non-biased executive summaries;
- align with key decisions;
- provide evidence to support good decision making.

Supporting operation details should be available upon Board request, or placed on Board Effect. They should not, as standard practice, form part of the Board papers.

Board minutes/action points

Minutes are recorded for all meetings of the Board and Board Committees. The minutes will be prepared in draft by the Company Secretary, who will consult the Chief Executive Officer, and they will then be provided to the Chair of the Board or Board Committee for approval. The approved draft minutes will be forwarded to all Directors / Committee Members who should advise the Chair or Secretary of any suggested changes. The minutes will be included in the papers of the next Board / Committee Meeting for formal approval.

Board resolutions

All Board resolutions must be recorded in the minutes. Where decisions are required between Board meetings, these may be made by circular resolution and approved by Directors in accordance with the Constitution. Circular resolutions should be formally ratified at the next Board meeting. A summary of Board decisions and resolutions, bearing in mind confidentiality, will be communicated to management as soon as practical after a Board meeting.

Effective meetings and conduct

Individual Board members have a role in ensuring meetings are effective. Directors are expected to:

- attend Board meetings (low levels of absenteeism) and arrive on time;
- represent the interests of ITCC as a whole, not any particular stakeholder or interest group they may see themselves as representing, in decision making;
- prepare for Board meetings to allow good decision making;
- be constructive;
- value open dissent - value difference of opinion and avoid "group think";
- maintain respect and collegiality throughout and in-between all meetings;
- encourage the asking of questions;
- value the contribution of all members regardless of time served, age, experience, status or other; and
- not monopolise Board discussion and give others the chance to speak.

The Chair of the Board has a role in being an effective “conductor” of Board meetings. This includes:

- keeping to the agenda;
- ensuring that the right matters are considered carefully and thoroughly and that all Directors are given the opportunity to effectively contribute;
- ensuring that the Board comes to clear decision and resolutions and these are noted
- valuing and encouraging open dissent – being open to difference of opinion and avoiding "group think";
- allowing time for discussion on strategic issues;
- ensuring all members of the Board have an opportunity to give their opinion on matters before the Board; and
- commencing the annual process of Board evaluation

Subcommittees

To consider issues in more detail the Board can establish Board Subcommittees, which then report back and advise the Board. In addition, as-needed Committees may be formed for specific tasks.

Decision made by its Subcommittees are decisions of the Board for which the Board must take full responsibility. Principles of Subcommittee operations are listed below.

- The Board will appoint a Director to Chair each Committee. Directors are expected to make themselves available to serve on Committees as required.
- The Chief Executive Officer will attend Committee meetings by invitation.
- Directors not appointed as Members of a Committee should consult with and gain the concurrence of the Committee Chairman prior to attending any Committee meetings.
- The Chair of each Committee will report matters of significance to the next Board meeting for approval or ratification. A copy of Committee minutes, or a written summary report, should be submitted to the Board for noting.

Conflicts of interest

If a conflict has been identified it must be disclosed. And from the moment it is disclosed, that Director is no longer invited to exercise judgement on how it should be resolved.

- The other members of the Board will decide the best course of action where a conflict has been disclosed.
- The Director with the conflict, at the discretion of the Board, may be excluded from any further discussion or be allowed to be present, but not permitted to vote.

BOARD EFFECTIVENESS

Board performance

The Board will have in place an annual process for evaluating the performance of the Board as required under the Performance and Funding Agreement.

Appointing Directors

The following is an overview of recruitment, nomination, selection and retirement. The Constitution provides further details.

Any Member may nominate any other Member or a Representative for election as an Elected Director. The nomination must be lodged with the In The City Canberra at least 28 days before the annual general meeting.

At the AGM, each Member or a proxy/ representative of a Member has one vote. The candidates who receive the most votes will be elected. If two or more candidates receive an equal number of votes, the Chair of the meeting has a casting vote.

If there are insufficient nominees the unfilled positions become casual vacancies and may be filled by the Board. The Directors may at any time appoint any person to be an Elected Director, either to fill a casual vacancy or as an addition to the existing Elected Directors.

Casual Directors can hold their position until the next General Meeting at which point they are eligible for re-election.

At each annual general meeting three of the Elected Directors must retire from office.

Director remuneration

A Director must not be paid any remuneration for services as a Director. A Director, is however, eligible for the reimbursement of expenses.

Induction

When new members join the Board, it is expected that there will be a formal letter of appointment, a detailed introductory conversation with the Chair (followed by a formal letter of appointment) and a meeting with the CEO.

A copy of this Board Charter, the Constitution and the Performance and Funding Agreement will be provided to new Board members at their appointment

SOURCES

In The City Canberra, Board Planning meeting on 28 February 2017

In The City Canberra, Performance and Funding Agreement (2016)

Canberra CBD Limited, Constitution (2007)

In The City Canberra, CEO Job Description

The Institute of Company Directors, Board Tools for Company Directors: Board Charters

The Institute of Company Directors, Good Governance Principles and Guidance for Not-for-Profit Organisations

David Fishel, 'Draft duty statements: Chairperson of the Board' in *The Book of the Board* 2nd ed. p.222 (2008)

Standards Australia, S 8000-2003/Amdt 1-2004, Corporate governance - Good governance principles (2004)