

Board Charter

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Board Charter

Introduction

The Board of The Royal Life Saving Society Western Australia Inc (**Royal Life Saving**) (**Board**) has the ultimate responsibility to its members for the general strategy and performance of Royal Life Saving. The Board is dedicated to fulfilling these duties in a lawful and professional manner, and with the utmost integrity and objectivity. As such, the Board actively pursues best practice governance processes. With this point in mind, the Board has decided to articulate and formalise the Board governance framework within which Royal Life Saving operates.

This document outlines Royal Life Saving's approach to governance in the form of a Board Charter, which is a written document that defines the respective roles, responsibilities, and authorities of the Board, both individually and collectively in setting the direction, management, and the control of the organisation. As such, it establishes the guidelines within which the Directors and officers are to operate as they carry out their respective roles. It does not in any way constitute legal advice or act as a substitute for legal advice.

The purpose of this Board Charter is to document how the Board has decided to meet its legal and other responsibilities.

The Royal Life Saving's Board Charter (Charter) has four major sections:

- (a) Part A – Defining Governance Roles;
- (b) Part B – Board Processes;
- (c) Part C – Key Board Functions; and
- (d) Part D – Continuing Improvement.

While it is acknowledged that good governance is an important component of a successful association, it is also recognised that it is contingent upon the context in which it is practiced. Therefore, governance needs to be a dynamic process. This Charter will need to be regularly reviewed and updated to reflect changes in the legal framework within which Royal Life Saving operates, and amendments and developments in Board policies and procedures. It is the responsibility of the Royal Life Saving President to ensure that the Board is consulted regarding changes and updates, that the Charter is reviewed at least every 2 years and amended when required and that all Board members are provided with access to the latest version of the Charter.

Royal Life Saving recognises the overriding importance of its legal obligations which arise from various sources. Accordingly, nothing in this Charter must conflict with Royal Life Saving's current Constitution (Constitution) or the *Associations Incorporations Act 2015 (WA)* or the *Australian Charities and Not for profits Commission Act 2012 (Cth)*.

Any reference to gender in this Charter should be interpreted as applicable to both males and females.

Part A - Defining Governance Roles

1. The role of the Board

- 1.1 The Board is ultimately responsible for all matters relating to Royal Life Saving.
- 1.2 The Board's role is to govern Royal Life Saving rather than to manage it. In governing Royal Life Saving, the Directors must act in the best interests of Royal Life Saving as a whole. It is the role of senior management to manage Royal Life Saving in accordance with the direction and delegations of the Board and the responsibility of the Board is to oversee the activities of management in carrying out these delegated duties. This means that the Board does not itself have a management function.
- 1.3 The Board has the final responsibility for the successful operations of Royal Life Saving. It is required to oversee all things necessary in order to carry out the objects of Royal Life Saving. In carrying out its governance role, the main task of the Board is to drive the performance of Royal Life Saving and oversee the policies, practices, management, and operations of Royal Life Saving. The Board must also ensure that Royal Life Saving complies with its contractual, statutory and any other legal obligations, including the requirements of any relevant regulatory body.
- 1.4 Without intending to limit this general role of the Board, the principal functions and responsibilities of the Board include the following:
 - a) providing leadership to Royal Life Saving by:
 - i. defining Royal Life Saving's vision and purpose with the membership;
 - ii. approving Royal Life Saving's values and code of conduct to underpin the desired culture within Royal Life Saving;
 - iii. always acting in a manner consistent with Royal Life Saving's culture and values;
 - b) overseeing the development and implementation of an appropriate strategy, the instilling of Royal Life Saving's values and performance by:
 - i. working with the Chief Executive Officer (CEO) to ensure that an appropriate strategic direction and goals are in place;
 - ii. regularly reviewing Royal Life Saving's strategic direction and goals and amending as required;
 - iii. ensuring that an appropriate set of internal controls are implemented and reviewed regularly;
 - iv. ensuring an appropriate framework exists for relevant information to be reported by the management to the Board;

- v. overseeing planning activities including the development and approval of strategic plans, annual budgets and long-term budgets including capital expenditure budgets and cash flow budgets;
 - vi. reviewing the progress and performance of Royal Life Saving in meeting these plans and objectives, including reporting the outcome of such reviews on at least an annual basis.
- c) overseeing the control and accountability systems that ensure Royal Life Saving is progressing towards the goals set by the Board and in line with Royal Life Saving's purpose, the agreed strategy, legislative requirements and community expectations;
- d) ensuring accountability to its members through adopting an effective engagement and communications strategy, encouraging effective participation at general meetings and, through the President, being the key interface between Royal Life Saving and its members;
- e) ensuring the integrity of Royal Life Saving's accounting systems including the external audit;
- f) ensuring compliance with all statutory work health and safety obligations;
- g) ensuring robust and effective risk management (for both financial and non-financial risks), compliance (including legal compliance) are in place and operating effectively;
- h) appointing, and where necessary removing and/or replacing, the President;
- i) being responsible for Royal Life Saving's senior management including:
 - i. directly managing the performance of the CEO including:
 - A. appointing and remunerating the CEO;
 - B. providing advice and counsel to the CEO including formal reviews and feedback on their performance;
 - C. overseeing the development or removal of the CEO, where necessary.
 - ii. ensuring that an appropriate succession plan for the CEO is in place;
 - iii. when required, ensuring appropriate human resource systems (including work health and safety systems) are in place to ensure the well-being and effective contribution of all employees;
- j) providing advice and counsel to the CEO to ensure that Royal Life Saving's remuneration practices are aligned with Royal Life Saving's purpose, values, strategic objectives and risk appetite;
- k) delegating to the CEO and committees to ensure the effective day-to-day management of the business and monitoring the exercise of these powers;
- l) ensuring Directors receive briefings on material developments in laws, regulations and accounting standards relevant to Royal Life Saving;
- m) where required, challenging management and holding it to account;

- n) making all decisions outside the scope of these delegated powers.
- 1.5 The detail of some Board functions will be handled through Board committees as and when the size and scale of operations requires such committees. The Board, however, is responsible for determining the extent of powers residing in each committee and is ultimately responsible for accepting, modifying or rejecting committee recommendations.

2. Board structure

2.1 Number of Directors

In accordance with the Constitution, the Board will consist of a minimum of five and a maximum of eight Directors, one of whom will be President.

The Board's policy is that the Directors will be independent and full-time employees of Royal Life Saving are not eligible to be Directors. This will ensure that all Board discussions or decisions have the benefit of outside views and experience, and that the Directors will be free of any interests or influences that could, or could reasonably be perceived to, materially interfere with the Director's ability to act in the best interests of Royal Life Saving.

All Directors should bring specific skills and experience that add value to Royal Life Saving.

When considering expressions of interest in Board membership to make recommendations to the membership at the Annual General Meeting, the Board will take into account its skills matrix which sets out the mix of skills and diversity that the Board currently has or is looking to achieve in its membership.

When considering vacancies, the Board will take into account a candidate's capacity to enhance the skills matrix and experience of the Board.

2.2 Skills required on the Board

The Board will review capabilities, technical skills and personal attributes of its Directors. It will normally review the Board's composition against those attributes and recommend any changes in Board composition that may be required. An essential component of this will be the time availability of Directors.

2.3 Appointment of Directors

All appointments to Director will be made in accordance with the Constitution. Under normal circumstances the Board shall follow the following process:

- a) Appoint a Board Nomination working group that consists of a minimum of three members, consisting of a minimum of two Directors whose term is not ending plus an external independent person preferably with expertise in HR/recruitment:
- b) The Nomination working group will assess eligible nominations against the Board requirements and recommend candidates to the Board.

2.4 Directors agreement

Royal Life Saving will have a written agreement with each individual Director setting out the terms of their appointment.

2.5 Duration of appointment

In the interest of encouraging Board renewal, Directors will be elected for a two year term with approximately 50%, as identified by the Board, due to retire at each Annual General Meeting. Retiring Directors will be eligible for renomination by submitting an expression of interest to the Board in accordance with the Constitution.

The role of individual Directors

3.1 As members of the peak decision-making body in Royal Life Saving, Directors share ultimate responsibility for the Royal Life Saving's overall success. This means that Directors have an individual responsibility to ensure that the Board is undertaking its responsibilities. Directors need to ensure that the Board is providing:

- a) leadership to Royal Life Saving, particularly in the areas of ethics and culture;
- b) a clear and appropriate strategic direction;
- c) upholding the Royal Life Saving's values;
- d) accountability to members and key stakeholders;
- e) oversight of policies;
- f) oversight of all control and accountability systems including all financial operations and solvency, risk management, monitoring conduct that is inconsistent with Royal Life Saving's values and compliance with material legal and regulatory requirements;
- g) an effective CEO and appropriate personnel policies as and when required;
- h) timely and effective decisions on matters reserved to it.

3.2 Directors' code of conduct

In accordance with legal requirements and agreed ethical standards, Directors of Royal Life Saving:

- a) will act honestly, in good faith and in the best interests of the whole of Royal Life Saving;
- b) owe a fiduciary duty to Royal Life Saving as a whole;
- c) have a duty to use due care and diligence in fulfilling the functions of office and exercising the powers attached to that office;
- d) will undertake diligent analysis of all proposals placed before the Board;

- e) will act with a level of skill expected from Directors of a large incorporated association;
- f) will use the powers of office for a proper purpose, in the best interests of Royal Life Saving as a whole;
- g) will demonstrate commercial reasonableness in decision making;
- h) will not make improper use of information acquired as Directors;
- i) will not disclose non-public information except where disclosure is authorised or legally mandated;
- j) will keep confidential, information received in the course of the exercise of their duties and such information remains the property of Royal Life Saving (from which it was obtained) and it is improper to disclose it, or allow it to be disclosed, unless that disclosure has been authorised by the person from whom the information is provided, or is required by law;
- k) will not take improper advantage of the position of Director or use the position for personal gain or to compete with Royal Life Saving;
- l) will not take advantage of Royal Life Saving property or use such property for personal gain or to compete with Royal Life Saving;
- m) will protect and ensure the efficient use of Royal Life Saving's assets for the legitimate purposes of Royal Life Saving;
- n) will not allow personal interests, or the interest of any associated person, to conflict with the interests of Royal Life Saving;
- o) have an obligation to be independent in judgment and actions and Directors will take all reasonable steps to be satisfied as to the soundness of all decisions of the Board;
- p) will make reasonable enquiries to ensure that Royal Life Saving is operating efficiently, effectively and legally, towards achieving its goals;
- q) will not engage in conduct likely to bring discredit upon Royal Life Saving;
- r) will encourage the reporting of unlawful/unethical behaviour and actively promote ethical behaviour and protection for those who report violations in good faith;
- s) will give their specific expertise generously to Royal Life Saving;
- t) have an obligation to comply with the spirit, as well as the letter of the law and with the principles of this Charter.

3.3 Expectations of Directors in Board process

- a) Since the Board needs to work together as a group, Directors need to establish a set of standards for Board meetings. At Royal Life Saving, it is expected that Directors will, in good faith, behave in a manner that is consistent with generally accepted procedures for the conduct of meetings at all meetings of the Board. This will include, but not be limited to:

- i. behaving in a manner consistent with the letter and spirit of the Board Charter;
 - ii. acting in a businesslike manner;
 - iii. acting in accordance with the Constitution and Board policies;
 - iv. addressing issues in a confident, firm, respectful and friendly manner;
 - v. preparing thoroughly for each Board or Committee event;
 - vi. using good judgment, common sense and tact when discussing issues;
 - vii. minimising irrelevant conversation and remarks;
 - viii. ensuring that other Directors are given a reasonable opportunity to put forward their views;
 - ix. refraining from interruption or interjection when a speaker has the floor;
 - x. being particularly sensitive in interpreting any request or direction from the President that aims to ensure the orderly and good-spirited conduct of the meeting.
- b) Directors are expected to be respectfully forthright in Board meetings and have a duty to question, request information, raise any issue, and fully canvas all aspects of any issue confronting Royal Life Saving, and cast their vote on any resolution according to their own judgment.
- c) Outside the boardroom, however, Directors will commit to and support the letter and spirit of Board decisions in discussions with all stakeholders, members, staff, special interest groups and any other parties.
- d) Directors will keep confidential all Board discussions and deliberations. Similarly, all confidential information received by a Director in the course of the exercise of the Director's duties remains the property of Royal Life Saving and is not to be discussed outside the boardroom. It is improper to disclose it, or allow it to be disclosed, unless that disclosure is required by law and in any event should not be disclosed without appropriate authorisation.

3.4 Conflict of interest and related party transactions

- a) Conflicts of interest (Refer to Conflict of Interest Policy)
- i. Directors must disclose to the Board actual or potential conflicts that may or might reasonably be thought to exist between the interests of the Director and the interests of Royal Life Saving. On appointment, Directors will have an opportunity to declare any such interests and such interests will be recorded in Royal Life Saving's register of conflicts of interest to be maintained by Royal Life Saving's President.
 - ii. Directors should update this disclosure by notifying the Royal Life Saving President in writing as soon as they become aware of any conflicts.

- iii. The Board can request a Director to take reasonable steps to remove the conflict of interest. If a Director cannot or is unwilling to remove a conflict of interest then the Director must absent themselves from the room when discussion and voting occur on matters to which the conflict relates. The entry and exit of the Director concerned will be recorded in the Royal Life Saving Board minutes. Directors do not have to give notice of a conflict or absent themselves when either:
 - A. conflict of interest relates to an interest common to all Royal Life Saving members; or
 - B. the Board passes a resolution that:
 - 1. identifies the Director, the nature and extent of the Director's interest;
 - 2. clearly states that the other Directors are satisfied that the interest should not disqualify the Director concerned from discussion and/or voting on the matter.
- iv. To the extent the President from time to time has a conflict of interest, another Director of Royal Life Saving will lead the determination of the matters required to resolve the conflict in this clause 3.4(a).
- v. To the extent the Board, other than the conflicted Director, consider the conflict of interest to require the formation and adoption of specific director conflict protocols, to govern the ongoing management of a standing conflict of interest, the Board is authorised to adopt a conflict protocol.

b) Related party transactions

- i. Related party transactions include any financial transaction between a Director or officer and Royal Life Saving and will be reported in annual reports.
- ii. The Board has resolved that where applications are made by a related party to a Director or officer of Royal Life Saving then the Director or officer will exclude themselves from the approval process.
- iii. "Related party" for this process includes:
 - A. a spouse or de facto spouse of the Director or officer;
 - B. a parent, son or daughter of the Director or officer or their spouse or de facto spouse; or
 - C. an entity over which the Director or officer or a related party defined in paragraph (A) or (B) has a controlling interest.

3.5 Emergency contact procedures

As there is the occasional need for urgent decisions, Directors should leave with the Royal Life Saving President and or CEO any contact details, either for themselves or for a person who knows their location, so that all Directors can be contacted within 24 hours.

4. The role of the President

The President's role is a key one within Royal Life Saving. The President is considered the "lead" Director and utilises their experience, skills and leadership abilities to facilitate the governance processes.

There are two main aspects to the President's role. They are the President's role within the boardroom and the President's role outside the boardroom.

4.1 Conduct of Board Meetings

The roles and responsibilities of the President are to:

- a) notifying the Directors in advance of a meeting of the Board;
- b) establish and approve the agenda for Board meetings in consultation with the CEO;
- c) chair Board meetings;
- d) ensure adequate time in Board meeting for discussion of all agenda items including strategic issues;
- e) be clear on what the Board is required to achieve, both in the long and short term;
- f) provide guidance to other Board members about what is expected of them;
- g) facilitate the effective contribution of all Directors and promote constructive and respectful relations between Directors and between the Board and management;
- h) ensure that Board meetings are effective in that:
 - i. the right matters are considered during the meeting (for example, strategic and important issues);
 - ii. matters are considered carefully and thoroughly;
 - iii. all Directors are given the opportunity to effectively contribute;
 - iv. the Board achieves clear decisions and resolutions are noted;
- i) brief all Directors in relation to issues arising at Board meetings;
- j) ensure that the decisions of the Board are implemented properly;
- k) ensure that the Board behaves in accordance with this Board Charter.

4.2 Other responsibilities

Other roles and responsibilities of the President are to:

- a) in conjunction with the CEO, undertake appropriate public relations activities;

- b) If ever required, be an additional spokesperson for Royal Life Saving at the AGM and in the reporting of performance;
- c) be the major point of contact between the Board and the CEO;
- d) be fully informed by the CEO of current events on all matters which may be of interest to Directors;
- e) regularly review, with the CEO and such other senior officers as the CEO recommends, progress on important initiatives and significant issues facing Royal Life Saving;
- f) provide mentoring for the CEO.

5. The role of the Chief Executive Officer

- 5.1 The CEO is responsible for the attainment of Royal Life Saving's goals and vision for the future, in accordance with the strategies, policies, programs and performance requirements approved by the Board. The position reports directly to the Board.
- 5.2 If there is no CEO appointed at any given time, the Board will nominate another senior employee to undertake the role/responsibilities assigned to the CEO under this Board Charter.
- 5.3 The CEO's primary objective is to ensure the ongoing success of Royal Life Saving through being responsible for all aspects of the management and development of Royal Life Saving. The CEO is of critical importance to Royal Life Saving in guiding Royal Life Saving to develop strategies toward achieving its goals. The CEO must have the industry knowledge and credibility to fulfil the requirements of the role.
- 5.4 The CEO will, as and when the size, nature and scale of Royal Life Saving's activities requires it, manage a team of senior employees responsible for all functions contributing to the success of Royal Life Saving.
- 5.5 The CEO's specific conditions, duties and key performance indicators are contained in an employment agreement for which a copy is provided to all Directors. Typically the responsibilities will include, but are not limited to:
 - a) develop, in conjunction with the Board, the Royal Life Saving's vision, values and goals;
 - b) responsibility for the achievement of goals and objectives;
 - c) development of short, medium and long term strategies and planning to achieve the Royal Life Saving's vision and overall objectives;
 - d) preparation of business plans and reports with the senior management;
 - e) developing with the Board the definition of ongoing strategy;
 - f) implementing and monitoring strategy and reporting/presenting to the Board on current and future initiatives;

- g) advise the Board regarding the most effective organisational structure and oversee its implementation;
- h) assessment of business opportunities of potential benefit to the Royal Life Saving;
- i) responsibility for proposals for major capital expenditure to ensure their alignment with Royal Life Saving's strategy and justification on economic grounds;
- j) maximising available resources, encouraging staff commitment and strategically aligning the organisational culture with the organisation's goals and objectives;
- k) establish and maintain effective and positive relationships with Directors, staff, members, the community and other government and business parties;
- l) undertake the role of key Royal Life Saving spokesperson;
- m) recommend policies to the Board in relation to a range of organisational issues including delegations of authority, consultancies and performance incentives;
- n) ensure statutory, legal and regulatory compliance and comply with policies and standards;
- o) ensure appropriate risk management practices and policies are in place;
- p) develop and motivate direct reports and their respective teams;
- q) select and appoint key staff as and when required (direct reports);
- r) ensure there is an appropriate staff appraisal system in place in Royal Life Saving;
- s) For the complete list of CEO/management authority refer to the Delegation of Authority.

5.6 Other Board Secretary related responsibilities

- a) ensure Board meeting agendas and Board papers are forwarded to Directors prior to Board meetings;
- b) appoint staff members to assist with recording, maintaining and distributing the minutes of all Board and Board Committee meetings as required;
- c) maintaining a complete set of Board papers at Royal Life Saving's main office;
- d) recording, maintaining and distributing the minutes of all general meetings of Royal Life Saving;
- e) ensure all Directors have an up-to-date copy of the Board Charter.

Part B - Board processes

1. Board meetings

1.1 Board meetings are a fundamental component of governance processes. Each Board meeting is critical, as it is the main opportunity for directors to:

- a) obtain and exchange information with the CEO;
- b) obtain and exchange information with each other;
- c) make decisions.

1.2 The Board meeting agenda is equally as important, as it shapes the information flow and subsequent discussion.

1.3 Meeting frequency

Given the size of the Royal Life Saving and the scale of its activities the Board will meet no less than 10 times per year on a monthly basis. Unless otherwise agreed, any committees will generally meet on a quarterly basis. Where Board and Board Committee meetings are scheduled for the same month, where possible, Board Committee meetings will precede the Board meeting by at least one week to allow the circulation of the minutes of the Board Committee meeting prior to the Board meeting.

1.4 Meeting time and location

The Board usually meets at the offices of Royal Life Saving in Mt Claremont unless decided otherwise in advance. The commencement time will vary depending on the agenda of each individual meeting, the availability of key participants and the location in which the meeting is taking place. Refer to Board Meeting Schedule.

1.5 Meeting cycle

The Board will adopt an indicative monthly cycle as follows. The indicative cycle gives Board members seven days to review the agenda and Board papers to save valuable time at meetings by being prepared for discussions and allowing them to seek clarification or further information in advance on ambiguous items.

Under normal circumstances and when warranted, Board meetings shall follow the following monthly cycle:

Item	Day
Draft agenda prepared by the Royal Life Saving President and CEO	-14
Royal Life Saving CEO updates actions arising from the previous meeting	-7
Board papers and agenda are finalised	-7
All Board papers are circulated to Board meeting attendees	-7
Board meeting	0
Draft minutes sent to all Directors	+7

All days indicated are calculated in relation to the Board meeting day (day zero).

Please note that this is an indicative cycle only. The actual timing of events in the lead up to and follow up from Board meetings will be dependent upon the circumstances surrounding each individual meeting.

1.6 Conduct of meeting

The President will determine the degree of formality required at each meeting while maintaining the decorum of such meetings. As such the President will:

- a) ensure that all Directors are heard;
- b) retain sufficient control to ensure that the authority of the President is recognised. This may require a degree of formality to be introduced if this is necessary to advance the discussion;
- c) take care that the decisions are properly understood and well recorded;
- d) ensure that the decisions and debate are completed with a formal resolution recording the conclusions reached.

1.7 Quorum and voting at meetings

In order for a decision of the Board to be valid a quorum of Directors must be present. A quorum will be four Directors present in person or by instantaneous communication device or as otherwise stipulated in the Constitution. Questions arising at Board meetings are to be decided by a majority vote of Directors who are present and entitled to vote.

1.8 Emergency decision making

A resolution in writing signed by all Directors will be as valid and effectual as if it had been passed at a meeting of Directors duly convened and held and otherwise in accordance with Royal Life Saving's Constitution.

2. Board meeting agenda

2.1 Agenda content

An agenda will be prepared for each Board and Committee meeting.

General items in the agenda will include:

- a) Meeting opening
- b) Conflict of interests
- c) Matters for decision (including strategic and routine decisions)
- d) Matters for discussion (including management and finance reports)
- e) Matters for noting
- f) Meeting finalisation (including action items and meeting evaluation)

2.2 Agenda preparation

The Royal Life Saving President, in consultation with the CEO is responsible for preparing an agenda for each Board meeting. Any Director may request items to be considered for the agenda for upcoming meetings. All requests should be directed to the President and or CEO dependent on the nature of agenda item being requested.

2.3 Planning

In order to provide an even distribution of work over each financial year, the Board will adopt a twelve-month Board Plan. Included will be major organisational and Board activities to be carried out in particular months. Once initiated, it will be updated and approved prior to the start of each financial year (Refer to Board Meeting Schedule).

3. Board papers

3.1 Preparation and circulation of Board papers

The Royal Life Saving CEO is responsible for the preparation and circulation of Board papers should they be required. The Board papers will be circulated to Directors prior to the Board meeting. If a Board paper relates to a matter in which there is a known conflict of interest with a particular Director then the relevant Board paper will be removed by the Royal Life Saving CEO on the instructions of the President from the set of Board papers sent to that Director. In the case of the President having a conflict of interest, the Board will appoint another Director to make final decisions on the forwarding of Board papers to the President.

3.2 Retention of Board papers

The Royal Life Saving CEO maintains a complete set of Board papers at the Royal Life Saving's headquarters and digital files on SharePoint that can be accessed by Directors. However, individual Directors may retain their own Board papers in a secure location.

4. Board minutes

Minutes are to be a concise summary of the matters discussed at a Board Meeting. Minutes will contain a brief reference to relevant Board papers tabled plus any official resolutions adopted by Directors. All decisions will be recorded in the minutes by means of a formal resolution.

5. Committees

The Board may form any committee that it considers necessary and appropriate

The Board will determine any charter for its committees and has the ability to alter the roles of each Committee as it sees fit. The terms of reference of Board Committees are stored as Level 2 Governance Policies.

- a) The Board has formed a Finance and Audit Committee. This Committee has been established to assist the Board in fulfilling its financial governance and oversight responsibilities in relation to Royal Life Saving's financial reports and financial reporting process and the external statutory audit process.
- b) The Board has formed an Honours and Awards Committee. This Committee has been established to assist the Board with the appointment of Honours Award recipients, Community Help Grant recipients and Bravery Award recipients.

6. Managing Differences

The Board of Royal Life Saving will take any necessary and reasonable measures to try and manage differences among Board members and resolve any conflict if such conflict arises.

Directors are expected to work respectfully and cooperatively with all other Board members. In the first instance, where there are differences between Directors, the Directors should seek to resolve those differences between themselves. Directors are discouraged from seeking to involve other Directors in their disputes.

If the Directors cannot resolve their differences in a timely manner, the matter should be referred to the President. The President will speak with both parties to identify the key issues and outline with both parties a proposed resolution. The goal of the President will be to bring about a resolution in a swift and professional manner. If necessary, the President may engage an external party with the skills to offer unbiased mediation and a dispute resolution function to address issues which would otherwise adversely affect the role and functioning of the Board is upheld.

If there are differences between a Director and the President, then the parties should endeavour to agree another Board member to undertake the role of the President in the process outlined above.

PART C – KEY BOARD FUNCTIONS

1. The Board and strategy

The Board will approve a formal strategic planning process that articulates the respective roles and levels of involvement of the Board, senior management and other employees and will review the strategic plan for the Royal Life Saving on a regular basis.

2. Contacts and advisory role

2.1 CEO advisory role

It is recognised that a key directorial duty is providing a sounding board for CEO ideas and challenges. Recognising that the CEO-Board relationship is critical to effective governance, Directors should provide frank and honest advice to the CEO, through the President. It is expected that the President will play a key part of this role and will maintain regular contact with the CEO.

All advice should be constructive in nature and provided in a positive manner. Where appropriate, Directors should recommend possible alternative advisers if they do not feel adequately trained to assist.

2.2 Protocol for interaction with internal and external parties .

Media contact and comment

- a) The Board has designated the CEO or the President (where appropriate) to speak to the press on matters associated with Royal Life Saving.
- b) Subject to the policies of the Board and any committee that the Board may appoint from time to time, the President is authorised to comment on:
 - i. annual reports;
 - ii. resolutions to be put to the Annual General Meetings of the Royal Life Saving;
 - iii. changes in Directors, any matter related to the composition of the Board or Board processes;
 - iv. any speculation concerning Board meetings or the outcomes of Board meetings;
 - v. other matters specifically related to members.
- c) Subject to the policies of the Board and any committee that the Board may appoint from time to time, the CEO is authorised to comment on:
 - i. Royal Life Saving's future outlook;

- ii. any operational matter;
- iii. media queries concerning operational issues which reflect either positively or negatively on the Royal Life Saving;
- iv. proposed or actual legal actions;
- v. queries and general discussion concerning Royal Life Saving's purpose.

2.3 Hospitality and gifts

While Royal Life Saving recognises the need from time to time to give or accept customary business courtesies in accordance with ethical business practices, Directors and CEO will not solicit such courtesies and will not accept gifts, services, benefits or hospitality that might influence, or appear to influence, the Directors' and CEO's conduct in representing Royal Life Saving.

The process to manage and record gifts is outlined in the Anti-corruption and Gift Register.

3. Monitoring

Another essential function of the Board is to monitor the performance of the organisation in implementing its strategy and overall operational performance.

4. Risk and compliance management

The Board is charged with overseeing, reviewing and ensuring the integrity and effectiveness of Royal Life Saving's risk and compliance systems. The Board has an external independent auditor who is responsible for verifying the Royal Life Saving's compliance systems and reporting to the Board on those systems.

The CEO will be charged with implementing appropriate risk systems within the Royal Life Saving. Aspects of this process may be delegated.

The risk management system will be based on Standard ISO 31000:2018.

Risk management is considered a key governance and management process. It is not an exercise merely to ensure regulatory compliance. Therefore, the primary objectives of the risk management system at Royal Life Saving will be to ensure:

- a) all major sources of potential opportunity for and harm to Royal Life Saving (both existing and potential) are identified, analysed and treated appropriately;
- b) business decisions throughout Royal Life Saving appropriately balance the risk and reward trade off;
- c) all Directors comply with due diligence requirements including, but not limited to, those required by work health and safety legislation;

- d) regulatory compliance and integrity in reporting is achieved;
- e) the Board and CEO understand the risk profile of Royal Life Saving.
- f) In line with these objectives, the risk management system will cover:
 - i. safety;
 - ii. reputation and relationships;
 - iii. compliance and governance;
 - iv. financial; and
 - v. operational risk.

The Board reviews all major strategies and purchases for their impact on the risk facing Royal Life Saving. Royal Life Saving reviews annually its operations to update its risk profile. This occurs in conjunction with the strategic planning process.

The CEO, Finance and Audit Committee and Auditor will provide a written declaration of assurance that of their opinion that the financial records of Royal Life Saving for any financial period have been properly maintained, comply with the appropriate accounting standards and give a true and fair view of the financial position and performance of the Royal Life Saving, has been formed on the basis of a sound system of risk management and internal control which is operating effectively.

Royal Life Saving produces a number of periodic reports, including its Annual Report. Royal Life Saving has in place processes to review and confirm the accuracy and reasonableness of the information contained in these reports at both management and Board level. Management prepares the information in these reports which are then reviewed by Royal Life Saving's CEO and approved by the Board. In the event further legal or financial review is required, the proposed information is reviewed by Royal Life Saving's advisors, lawyers or auditors (as appropriate) before distribution.

5. Delegation of authority

Directors are responsible for any delegations of their responsibilities with regard to operations. As such, they decide as a Board what Royal Life Saving matters are delegated to either specific Directors or management. In addition, they outline what controls are in place to oversee the operation of these delegated powers.

As a consequence, individual Directors have no individual authority to participate in the day-to-day management of the Royal Life Saving including making any representations or agreements with member companies, suppliers, employees or other parties or organisations.

The exception to this principle occurs where the Board explicitly delegates any authority to the Director individually.

Similarly, Committees and their members require specific delegations from the Board as a whole and these will be contained in each Committee's respective Terms of Reference.

5.1 General delegations

In general, the Board delegates all powers and authorities required to effectively and efficiently carry out Royal Life Saving's business. Refer to management Delegation of Authority.

Listed below are the exceptions to these delegations, whereby the Board reserves the powers as indicated.

5.2 Decisions requiring Board approval

In addition to those decisions requiring approval pursuant to the respective committee charters (if any), the following decisions must be referred to the Board for approval:

- a) All employment matters relating to the Chief Executive Officer;
- b) Professional Development and remuneration matters relating to the Chief Executive Officer and Board members;
- c) Ownership of new buildings;
- d) Adoption and/or review of the Strategic Plan;
- e) Determination of delegation levels;
- f) Approving the Terms of Reference for Board Committees, and any appointments to Board Committees;
- g) Execution of any lease, licence or agreement with a term in excess of five years;
- h) acquiring, selling or otherwise disposing of property in excess of the amount set out in Royal Life Saving's Constitution and Delegation of Authority;
- i) acquiring or selling patent rights, rights in registered trademarks, licences or other intellectual property rights of the Royal Life Saving;
- j) initiating major changes to the field of Royal Life Saving's activities;
- k) approving the annual business plan (including financial planning);
- l) granting or revoking a power of attorney or limited authority to sign and/or act on behalf of the Royal Life Saving.

PART D – CONTINUING IMPROVEMENT

1. Director protection

1.1 Information seeking protocol

Directors will adhere to the following protocol when seeking information:

- a) approach the CEO to request the required data;
- b) if the data is not forthcoming, approach the President;
- c) if the information is still not forthcoming, write a letter to the Board detailing the information that is required, purpose of the information, and who the Director intends to approach in order to obtain the information.

1.2 Access to professional advice

A Director of Royal Life Saving is expected to exercise considered and independent judgment on the matters before them. To discharge this expectation a Director may, from time to time, need to seek independent, expert opinion on matters before them. Prior to seeking professional advice a director must inform the President about the nature of the opinion or information sought, the reason for the advice, the terms of reference for the advice and the estimated cost of the advice. Where more than one Director is seeking advice about a single issue, the President will endeavour to coordinate the provision of the advice.

Directors shall seek authority in writing from the President prior to engaging an external expert. The President has delegated authority to authorise expenditures and these should not be unreasonably withheld. If the President withholds authorisation, the Director has the right to seek authority from the Board at the next Board meeting. If the cost of professional advice is likely to exceed \$1,000, then the Board's approval for the engagement of an external expert is required.

Advice so received should be received on behalf of the Board as a whole.

1.3 Access to Board papers

The Directors have the right to access board papers and access will be provided on a timely basis.

1.4 Insurance

Royal Life Saving currently holds Directors' and Officers' Insurance Policies. Royal Life Saving will ensure that all new Directors and Officers are included on Royal Life Saving's insurance policies.

Royal Life Saving will review the D&O Insurance Policies on at least an annual basis to ensure that they are sufficient.

2. Board and CEO evaluation

2.1 Evaluation process

The Board considers the evaluation of its own and CEO performance as fundamental to establishing a culture of performance and accountability.

2.2 Board and Director evaluations

The Board considers the ongoing development and improvement of its own performance as a critical input to effective governance. As a result, the Board will undertake a regular evaluation of Board and Director performance.

The review will be based on a number of goals for the Board that will be established. The goals are based on the organisation's requirements and any areas for improvement that may be identified. The Board will consider the outcome of such reviews and develop a series of actions and goals to guide improvement. The President will provide each Director with confidential feedback on his or her performance. This feedback is used to develop a development plan for each Director. The Board will not recommend the reappointment of a Director who is not satisfactorily performing the role.

2.3 Board Committee evaluations

The Board will set a number of expectations for its committees. These expectations are to be derived after considering the results of previous reviews if any, an assessment of Royal Life Saving's current and future needs, and a review of each committee's charter or purpose. As a result of a review, the Board may amend or revoke a committee's charter.

The Board will review the performance of each committees against expectations. Based upon the review, individuals and groups will be provided with feedback on their performance. The results of the review will be a key input into the expectations set by the Board.

2.4 CEO evaluations

The CEO will be subject an informal assessment of progress throughout the year and at least an annual performance evaluation to be conducted in January or February each year. The CEO will establish a set of performance targets. These targets are aligned to overall business goals and the Royal Life Saving's requirements of the position. These targets are negotiated between the CEO and the Board and signed off by the whole Board.

Under normal circumstances the Board shall follow the following process:

- a) Appoint an Evaluation working group that consists of a minimum of two Directors, one of whom should be the President;
- b) The Evaluation working group will undertake the annual CEO performance evaluation and report the outcomes back to the Board.

3. Director development

The Royal Life Saving is committed to continuing development of its Directors and CEO. In line with this commitment, there is an expectation that all Directors and the CEO commit to at least 1-2 days of professional development each year. The Board will allocate a budget to encourage Directors to participate in training and development programs. Any Director wishing to undertake either specific directorial training or personal development courses is expected to approach the President and or CEO for approval of the proposed course. Development may be in both governance and governance processes or in the Royal Life Saving's industry.

4. Director induction

New directors will undergo an induction process in which they will be given a full briefing on Royal Life Saving. This will include meeting with the CEO, tours of the premises, an induction package and presentations on key information. Information conveyed to the new Director will include:

- a) details of the roles and responsibilities of a Director with an outline of the qualities required to be an effective Director;
- b) formal policies on Director appointment as well as conduct and contribution expectations;
- c) details of all relevant legal requirements;
- d) access to a copy of the Board Charter and all other Royal Life Saving Governance Policies;
- e) guidelines on how the Board processes function;
- f) copy of the Royal Life Saving CEO Employment Contract;
- g) details of past, recent and likely future developments relating to the Board including anticipated regulatory changes;
- h) key accounting matters and outlines of the responsibilities of Directors in relation to Royal Life Saving's financial statements;
- i) background information on and contact information for key people in the organisation including an outline of their roles and capabilities;
- j) an analysis of the Royal Life Saving including:
 - i. core competencies of the Royal Life Saving;
 - ii. current financial structure;
 - iii. any other important operating information;
- k) a synopsis of the current strategic direction of the Royal Life Saving including a copy of the current strategic plan and annual budget;
- l) access to a copy of the Constitution of the Royal Life Saving;

- m) Directors Deed of Indemnity and Deed of Access, if applicable;
- n) any other document that the Board or CEO deem appropriate.