



BOARD GOVERNANCE CHARTER

Governance Principles

In line with Swan District Football Club's (SDFC) strategic objective to continue to improve and promote contemporary governance, the Board has supported the development and implementation of Board Policies to address issues including:

- Alignment with contemporary governance practices
- Clarity in the roles of the Board and Management

The approved model consists of a Governance Charter with supporting Board Policies where required. The purpose of the Charter is to clarify and promote high standards of governance across the Board and will operate in conjunction with SDFC's Constitution and Governance Principles. The Charter is designed to provide the Board with guidance and a framework within which to operate, by providing a concise overview of:

- a. The delineation of the roles, functions, responsibilities and powers of the Board, individual Directors and the Chief Executive Officer;
- b. Powers delegated to the CEO and various Board Committees;
- c. Matters reserved for final decision-making or pre-approval by the Board; and
- d. The policies and practices of the Board in respect of matters such as corporate governance, training and evaluation of Directors, strategic and agenda planning and CEO performance monitoring.

These areas will be covered in the main through broad principles and practices, as opposed to individual policies addressing each area.



1. SDFC Governance Charter – Good Practice Guidance

The SDFC Board Governance Charter consists of four primary sections the purpose of which are to define the respective roles, functions and responsibilities of the Board, Chairman and CEO:

- Role of the Board
- Role of the Chairperson
- Role of the Deputy Chairperson
- Role of the CEO
- Delegation of Authority

These sections have been developed having regard to SDFC's role and objectives, corporate governance guidelines produced by the Australian Institute of Company Directors (AICD) and contemporary governance practices.

Role of the Board

The aim of *Role of the Board* is to clearly detail the specific functions and responsibilities of the SDFC Board in order to facilitate Board accountability to the organisation and its members. Its purpose is also to ensure a clear delineation of powers and responsibilities between the Board, Chairman and CEO. The SDFC strategic plan will provide the further detail in relation to the outcomes and direction of SDFC.

Role of the Chairperson

The aim of *Role of the Chairperson* is to clearly detail the specific functions and responsibilities of the Chairperson (and Deputy Chairperson) and ensure a clear separation of responsibilities from that of the Board and CEO.

Role of the Chief Executive Officer

Role of the Chief Executive Officer has been developed to formalise the CEO's powers and responsibilities to assist the Board to clarify its expectations and to provide clarity to the balance of responsibility between the Board, Chairperson and the CEO.

Delegation of Authority

As advocated by the Australian Institute for Company Directors (AICD), through the clear communication of the Board's expectations of the CEO, and the documentation of specific delegations and relevant authority limits, the CEO is free to work within agreed boundaries to achieve organisational goals.

The *Delegation of Authority* (attached) has been developed to document the broad delegations to the CEO (and Committees) and relevant limits of that authority. Together with *Role of the CEO* and the CEO's Duty Statement, this section aims to further clarify the expectations of the CEO's performance, which should be communicated to the CEO very early in the relationship through an



induction process and letter of appointment. The CEO's performance should be monitored on an ongoing basis and constructive and timely feedback provided to the CEO which will further promote trust and respect between the Board and CEO.

Together, *Role of the CEO* (incorporating the CEO Duty Statement), *Delegation of Authority*, and guidelines regarding *CEO Induction* and *CEO Performance Appraisal* (aim to provide clarity with regard to the CEO's role and performance expectations).

These sections of the Charter can be further supported by individual policies where required.

2. Role of the Board

The Board's primary responsibility is to direct the affairs of SDFC on behalf of its members. The Directors represent and serve the interests of members and collectively oversee and appraise the strategies, major policies and performance of the organisation.

The performance of the organisation is driven by the strategies developed and implemented by the Chief Executive Officer and the Board of management - ('Management'). The Board aims to bring an independent and objective view to the organisation's decisions, provide guidance to Management with respect to strategy development and review the effectiveness of Management in delivering upon those strategies. The Board also ensures that sufficient control and accountability systems are in place to accurately measure and report upon the performance of the organisation.

The specific functions and responsibilities of the Board include:

Performance:

- a. Setting the broad strategic direction of the organisation in consultation with Management;
- b. Providing input into and final approval of Management's development of corporate strategy and performance objectives and monitoring Management's implementation of that strategy and stated objectives;
- c. Monitoring financial outcomes and the integrity of reporting. In particular approving annual budgets and monitoring material investments, funding activities, capital expenditure, acquisitions and divestments;
- d. Ensuring effective and timely reporting to members;
- e. Approving and monitoring the risk management framework and ensuring that effective and adequate audit, risk management and compliance systems are in place;
- f. Monitoring and assessing performance of the organisation, the Board itself, individual Directors, Management and major projects.

Overall Operations:

- a. Selection and appointment of the Chief Executive Officer, determining his/her conditions of service and remuneration and monitoring his/her performance against established objectives;



- b. Appointing such Committees of the Board as may be appropriate to assist in the discharge of its responsibilities and to determine their responsibilities;
- c. Setting specific delegations and limits of authority;
- d. Reviewing, on a regular basis, CEO succession planning and development;
- e. Ensuring effective communication and relationships with members and other stakeholders.

Compliance/Legal Conformance:

- Monitoring compliance with legal and ethical standards;
- Setting standards of professional conduct and ensuring these are adhered to;
- Developing and applying an effective governance framework for the organisation that promotes sound and prudent management in the interests of all stakeholders.

3. Role of the Chairperson

Roles and Responsibilities of the Chairperson

The Chairperson is responsible for ensuring that the Board is well informed and functions effectively and provides leadership in formulating the strategic direction and overseeing the operation of the organisation.

The specific functions and responsibilities of the Chairperson include:

Inside the Boardroom

- a. Providing appropriate leadership and guidance to the Board;
- b. Promoting and ensuring high standards of corporate governance, compliance and ethical conduct;
- c. Setting the agenda for Board meetings in consultation with the CEO and other Directors;
- d. Ensuring that the Board is provided with adequate information to facilitate effective decision making;
- e. Leading the Board and facilitating constructive contributions by all Directors to ensure that the Board functions effectively as a whole in discharging its responsibilities;
- f. Managing boardroom discussions and ensuring that Board meetings are effective so that matters discussed are appropriate, timely and considered thoroughly before clear decisions and resolutions are made;
- g. Ensuring decisions of the Board are implemented properly and reported back to the Board;
- h. Leading the Board in monitoring the management of the organisation and assessing the organisation's financial position and performance;
- i. Guiding and promoting the ongoing effectiveness and development of the Board and individual Directors, including establishing an induction and continuing development program for directors;
- j. Monitoring the performance of the Board and instituting the process for appraising the Board as a whole and Board members individually;



- k. Overseeing the annual performance evaluation of and succession planning for the CEO;
- l. Ensuring a clear structure for and the effective running of Board committees, including assisting with the selection of Board Committee members;
- m. Establishing and maintaining an effective working relationship with the CEO.

Outside the Boardroom:

- a. Chairing and speaking on behalf of the organisation at the AGM and General Meetings of members;
- b. Acting as the major contact between the Board and the CEO;
- c. Engaging in appropriate public relations activities in conjunction with the CEO. In general the Chairperson is the representative on matters of governance, whilst the Chief Executive Officer is the spokesperson on matters relating to the operation of the organisation.

4. Role of the Deputy Chairperson

During the term of his/her appointment, the Deputy Chairperson will be required to:

- a. Chair Board meetings in the absence of the Chairperson;
- b. Liaise on a regular basis with the Chairperson in relation to strategic issues facing the organisation;
- c. Attend meetings with the CEO should this not be possible by the Chairperson;
- d. Attend, in an official capacity, SDFC functions, as required; and
- e. Speak on behalf of SDFC in an official capacity, as required.

5. Role of the Chief Executive Officer

The Chief Executive Office (CEO) is responsible for the day-to-day leadership and management of the organisation by way of delegations from the Board to implement the organisation's strategy and objectives.

Specific functions and responsibilities of the CEO include:

- a. Managing the effective and efficient day-to-day operations of the organisation in accordance with the strategy, business plans and policies of the Board;
- b. Developing the organisation's objectives and strategy for Board approval;
- c. Developing and coordinating operational plans to guide the implementation of the organisation's strategy;
- d. Developing budgets at the commencement of each year for approval by the Board;
- e. Managing the organisation's human, physical and financial resources to implement approved strategies and operating plans to achieve the organisation's objectives;
- f. Developing and implementing risk management and internal control systems and policies;



- g. Overseeing the financial management of the organisation and ensuring the integrity of the organisation's financial reporting;
- h. Providing advice and timely strategic, operational and financial reporting information to the Board;
- i. Developing, implementing and updating policies and procedures, and in conjunction with the Chairman, driving sound governance systems;
- j. Ensuring compliance with legal and regulatory obligations;
- k. Overseeing the employment and management of staff;
- l. Developing and maintaining an effective organisational structure, establishing clear roles and responsibilities for individuals within the organisation and ensuring appropriate development of staff;
- m. Developing and maintaining effective relationships and alliances with SDFC Members and key stakeholders;
- n. Maintaining awareness of the business, economic and political environment as it affects the organisation; and
- o. Protecting and enhancing the image and reputation of the organisation.

The CEO's Duty Statement should also provide further detail as to the role and responsibilities of the CEO. The terms and conditions of the CEO's appointment plus the extent of the CEO's authority will be reflected in a letter of appointment.

6. Delegation of Authority

The Board reserves to itself all matters that may have the potential to have a material impact on the reputation and operation of the organisation. This includes the following matters:

- a. Approval of strategy and annual budgets;
- b. Decisions about the organisation's strategy and policies;
- c. Membership and role of Board subcommittees;
- d. Assessment of Board performance;
- e. CEO appointment and succession planning;
- f. Management of conflicts of interests;
- g. Oversight of risk management and internal control frameworks, including compliance with appropriate laws and regulations;
- h. Delegation of powers and authorities;
- i. Determination and adoption of documents (including the publication of reports and annual financial statements to members).

The Board delegates to the CEO all of its powers necessary for managing the day-to-day business affairs and operations of the organisation. The CEO is authorised to make any lawful decision and take any action within the limitations prescribed in this Charter directed at achieving the strategic objectives of the organisation.

To ensure the maintenance of appropriate controls in the management of the organisation, the Board through this Charter has established the following delegated authority limits of the CEO:



- a. The CEO is formally delegated by the Board to authorise all expenditure as approved in the budget, subject to:
- All purchases and disbursements made by the organisation must be made exclusively for the benefit of SDFC in a manner which is fair, objective and financially sound. This applies to purchases of capital items and operational costs and related commitments, both budgeted and unbudgeted;
 - Unbudgeted or unplanned expenditure greater than \$10,000 must be referred to the Board for approval;
 - All CEO remuneration, outside of normal fortnightly remuneration, must be authorised by the Chairman; and
 - All business-related expenses reimbursed to the CEO must be authorised by the Chairman.
- b. The CEO shall not invest outside of the investment strategies approved by the Board.

In accordance with the Board's Risk Management Policy, the Board delegates to Management the responsibility for undertaking risk reviews and the design and implementation of appropriate risk management systems.

The Board may appoint Committees to assist in the discharge of its responsibilities. Committees make recommendations for action to the full Board, who retain collective responsibility for decision making. Any specific delegations will be detailed in the relevant Committee's Terms of Reference.

Signature Name (print)

Date

7. Implementation

This Board Government Charter is effective from 25th July 2019. It should be read in conjunction with the SDFC Board Code of Conduct.

8. Revision History

| Version | Date Approval | Amendments |
|---------|---------------|------------|
| 1 | 25/7/19 | |