

NSW BUSINESS CHAMBER BOARD OF DIRECTORS CHARTER

1. Introduction

- 1.1 The New South Wales Business Chamber (the “NSWBC”/ the “Company”) is a public company limited by guarantee. The Board of Directors is governed by the *Corporations Act 2001 (Cth)* (the “Act”) and the Constitution of NSWBC (the “Constitution”).
- 1.2 The Board of Directors of the NSWBC is responsible for ensuring that appropriate corporate governance and management structures are in place and that such structures operate efficiently and transparently. This Board Charter sets out an overview of these structures.
- 1.3 The Board Charter is not an all inclusive document and should be read as an expression of the principles to be applied for optimising corporate governance and accountability. The Board of Directors will review and update (if necessary) the Board Charter on an annual basis.

2. Role of the Board

- 2.1 As the Board of Directors acts on behalf of, and is accountable to the members, the Board of Directors shall seek to identify the expectation of the members as well as other regulatory and ethical expectations and obligations. In addition, the Board of Directors is responsible for identifying areas of significant business risk and ensuring arrangements are in place to adequately manage those risks.
- 2.2 The responsibility for the operation and administration of the NSWBC is delegated by the Board of Directors to the Chief Executive Officer (“CEO”) and the executive team. The Board of Directors ensures that this team is appropriately qualified and experienced to discharge their responsibilities and has in place procedures to assess the performance of the CEO and the executive team.
- 2.3 The primary responsibility of the Board of Directors is to direct the affairs of the NSWBC on behalf of its members. The specific responsibilities of the Board of Directors encompass the primary objects specified in the Constitution and the Act. These generally include:
 - setting and reviewing the strategic direction of the NSWBC and monitoring the implementation of that strategy;
 - setting and monitoring corporate cultural standards and values
 - setting and reviewing the medium and long term goals of the NSWBC in consultation with management;
 - approving budgets and monitoring financial and other reporting;
 - reviewing, ratifying and monitoring systems of risk management and internal control, codes of conduct and legal and regulatory compliance;
 - communicating and engaging with members and other stakeholders to assist in achieving the objects of the NSWBC;
 - monitoring business performance;
 - appointing a CEO and evaluating performance;
 - challenging the assumptions of management;

- ensuring that there is accurate financial reporting and the organisation complies with all aspects of the Act and other law;
- ensuring the continuing development of the executive management team;
- determining appropriate remuneration for the executive team;
- making provision for succession planning; and
- being accountable to the members.

2.4 The Board of Directors shall have a number of mechanisms in place to assist with its role. In addition to the establishment of the committees referred to below, these mechanisms include the following:

- (a) approval of a strategic plan, which encompasses the NSWBC vision, mission and strategy statements, designed to meet stakeholders' needs and manage business risk.
- (b) implementation of operating plans and budgets by management and the Board of Directors monitoring of progress against budget - this includes the establishment and monitoring of key performance indicators (both financial and non-financial) for all significant business processes;
- (c) procedures to allow Directors, in the furtherance of their duties, to seek independent professional advice at the company's expense;
- (d) the preparations of an annual report which is distributed to all members; and
- (e) the holding of an annual general meeting and other meetings so called to obtain approval for Board action as appropriate;
- (f) The objectives outlined in the Constitution.

3. Role of the President

3.1 The President presides over the Board, the Council and General Meetings of the NSWBC.

3.2 The President is responsible for ensuring that the Board, Council and General meetings are conducted competently in a collegiate manner and is expected to provide effective leadership in formulating the strategic direction for the NSWBC.

3.3 The President must ensure that General Meetings are conducted efficiently and that members have adequate opportunity to air their views and obtain answers to their queries.

3.4 The President's other responsibilities include:

- to ensure that new Board members are well briefed and have access to information on all aspects of the Company's operations;
- to act as the Board's representative in dealings with management ensuring that its views are communicated clearly and accurately; and
- to represent the views of the Board to the public and governments on appropriate occasions.

4. Delegation of Authority

4.1 Matters reserved for the Board of Directors

The matters specifically reserved for the Board of Directors are articulated in both the Act and the Constitution. These include decisions about the Company's strategy and policies, as well as matters involving monetary amounts over specified limits.

4.2 Delegation to management

All matters not specifically reserved for the Board of Directors and necessary for the day-to-day management of the NSWBC are delegated to management. Management can sub-delegate authority, but not the responsibility delegated to management.

4.3 Reporting to the Board of Directors

Management is required to regularly report to the Board of Directors concerning the authority exercised and matters which come, or may come within, the scope of matters reserved for the Board of Directors.

4.4 Committees

The Board of Directors may, from time-to-time as set out in the Constitution, establish Board Committees to assist in carrying out its functions and responsibilities, and shall adopt Board Committee Charters setting out matters relevant to the authority, functions, membership, operations and responsibilities of such committees, and other matters that the Board may consider appropriate.

5. Board Committees

5.1 To assist it in carrying out its responsibilities, the Board has established standing committees comprising of some or all of its members. They are the:

- Audit, Risk & Compliance Committee;
- Human Resources & Succession Committee; and
- Investment Committee.

5.2 All committees are governed by specific Board Committee Charters.

5.3 The Board may establish such other standing or special purpose committees to assist it in performing its responsibilities.

6. Composition of the Board of Directors

6.1 The Board of Directors shall consist of not less than eight (8) but no more than ten (10) directors as outlined in the Constitution.

6.2 The Council shall elect one of the Councillors as the President for a period of two (2) years.

6.3 Directors are generally elected for a term of either four (4) years or two (2) years and are eligible for election, subject to the Constitution and By-Laws.

6.4 The Board of Directors should comprise Directors with an appropriate range of qualifications and expertise.

7. Meetings and Proceedings

- 7.1 The Board of Directors meets at least four times per annum and whenever necessary to address business which might arise between scheduled meetings. The Board will follow meeting guidelines set down to ensure all directors are made aware of, and have available all necessary information, to participate in an informed discussion of all agenda items.
- 7.2 Senior members of management may be invited to attend Board meetings, as required, to present reports on, or seek approvals within their areas of responsibility.
- 7.3 Matters which are of specific concern to the Board and therefore which may be addressed at Board meetings relate to the role of the Board as set out above and will include:
- the NSWBC's objectives, vision, mission and goals;
 - strategies and strategic plans;
 - approval of annual budget, including major capital expenditure;
 - risk management and oversight of internal controls;
 - review of performance of the NSWBC and its businesses against strategy, budgets and plans;
 - significant changes in accounting, risk management policies and procedures
 - matters that will have a material impact on the NSWBC's financial position, liabilities, future strategy or reputation;
 - M&A proposals or activity;
 - changes to the Constitution and any regulations;
 - changes to the delegated authorities;
 - appointment or removal of the CEO and remuneration of the CEO;
 - appointment or removal of the Company Secretary
 - powers, roles and duties delegated to individual directors, including the President, and CEO;
 - remuneration and terms of appointment for independent directors;
 - review of Charters of Board Committees;
 - approval of policy positions involving a change to current policy and practice raised through Committees or posed by management;
 - compliance with contracts, laws, statutory obligations and regulations;
 - Company policies on employment matters; and
 - issues and reputation management.
- 7.4 A meeting of the Board of Directors can be convened at the written request of a Director.
- 7.5 All questions arising at a meeting of the Board of Directors shall be decided by a majority of votes of directors present and voting.
- 7.6 In the case of equality of votes the President shall have a second or casting vote.
- 7.7 A quorum of the Board of Directors is five (5) directors.
- 7.8 The President in conjunction with the Secretary is responsible for the development of the agenda for Board meetings. The agenda will be circulated together with relevant meeting papers one (1) week before the meeting.

- 7.9 Minutes of the Board of Directors are made available in accordance with the provisions of the Act from time to time. The Board of Directors shall report to members annually through the provision of annual accounts, an annual report and at an Annual General Meeting called in accordance with the Act.

8. Declaration of Interests

- 8.1 The Board of Directors places great importance on making clear any existing interests or potential conflicts of interest of directors.
- Any positions held with the NSWBC or with other organisations and any business or personal matter which could lead to a conflict of interest of a material nature involving a director and the director's relationship with the NSWBC, must be declared at the beginning of each meeting and recorded in the minutes.
 - All conflicts of interest must be declared by the director concerned at the earliest time after the conflict is identified.
 - The Board of Directors shall determine whether or not the conflict is of a material nature and shall advise the director accordingly.
 - Where a conflict of interest is identified or registered, and the Board of Directors has declared that it is of material benefit to the individual director or material significance to the Company, the director concerned shall not vote on any resolution relating to that conflict or issue.
 - The director shall only remain in the room during any related discussion with approval of the Board of Directors.
 - The Board of Directors will determine what records and other documentation relating to the matter will be available to the director and all such occurrences will be minuted.
 - Directors aware of a real or potential conflict of interest of another director have a responsibility to bring this to the notice of the Board of Directors.

9. Independent Professional Advice

- 9.1 The Board of Directors collectively, and each Director individually, may (subject to the following provision) take, at the Company's expense, such independent professional advice as is considered necessary to fulfil their relevant duties and responsibilities.
- 9.2 Individual directors seeking independent professional advice must obtain the approval of the President (which may not be unreasonably withheld) and the advice received will be made available to all directors as appropriate.

10. Indemnities and Insurance

10.1 Directors and Officers Indemnity

The Company indemnifies each officer of the Company under the Constitution, to the maximum extent permitted by law against liability incurred in or arising out of the conduct of the Company, or in or arising out of the discharge of the duties of the officer of the Company.

10.2 Directors Indemnity and Access Deed

The Company has executed deeds of indemnity and access in favour of each director of the Company. The directors shall have full and free access to all the NSWBC employees and records.

10.3 Directors and Officers Insurance

The Company maintains director and officer liability insurance whilst the director is a director of the Company and for seven (7) years from the date on which the director ceases to act.

11. Board Review

- 11.1 The Board of Directors will review its performance annually and consider changes to improve the effectiveness of the Board.

12. Review of Charter

- 12.1 The Board will review this charter and the charters of Board committees annually to ensure they remain consistent with the Board's objectives, responsibilities and relevant standards of corporate governance.