



# AVA Board & Committee Charters

Reviewed By	Nominations & Governance Committee
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## Table of Contents

1. Introduction .....	3
2. Composition of the Board .....	3
3. Roles and Responsibilities of the Board .....	3
4. Board Committees .....	4
5. Board Meetings .....	4
6. Roles and Responsibilities of the President / Board Chair .....	5
7. Role and Responsibilities of the Chief Executive Officer .....	6
8. Conflicts of Interest .....	6
9. Confidentiality .....	7
10. Induction and Continuing Education .....	7
11. Access, Reliance and Advice .....	7
12. Board Performance and Evaluation .....	8
13. Charter Review .....	8
Audit and Risk Committee Charter .....	9
Nominations and Governance Committee Charter .....	12

## 1. Introduction

This Charter outlines the role, responsibilities and composition of the Board of the Australian Veterinary Association Ltd (AVA) and the manner in which it discharges its responsibilities. The AVA Board is bound by the Constitution and Policies of the organisation as well as by this Charter. The principles set out in this Charter are in addition to and are not intended to change or interpret any laws or the application of the company's Constitution. Other documents referenced in this Charter will be essential for a full understanding of Board and director's roles and responsibilities.

## 2. Composition of the Board

In accordance with clause 21.1 of the Constitution, the AVA Board is composed of nine directors (or more as being determined at a General Meeting) including the President and eight directors. Clause 22.2 requires Six directors to be elected from the general membership and three to be elected from the three largest special interest groups.

## 3. Roles and Responsibilities of the Board

The role of the Board is to provide leadership and strategic guidance for the Australian Veterinary Association. In carrying out its responsibilities the Board must act honestly, fairly, diligently and in accordance with the company's Constitution, all applicable laws and the company's Code of Conduct.

The Board's responsibilities encompass the following:

- To set the company's strategic direction and monitoring management's implementation of that strategy;
- To monitor the operational and financial performance of the company and the integrity of internal and external reporting. In particular the directors are responsible for approving annual budgets and longer-term strategic and business plans;
- To formulate vision, mission and goals for the AVA;
- To lead the culture, values and behaviours that deliver them including board culture;
- Foster an ethical culture throughout the company;
- To operate in accordance with the AVA Constitution, this Charter, relevant policies and applicable legal and regulatory requirements;
- To monitor, approve and review AVA policies and position statements;
- To review the effectiveness of risk management and compliance systems to protect the company's assets and to minimise the possibility of the company operating beyond legal requirements or acceptable risk parameters;
- To ensure an appropriate high-level of governance;
- To appoint the Chief Executive Officer (CEO);
- to set and review the CEO's remuneration;
- To monitor the performance of the CEO, and reviewing his or her performance at least annually;
- To approve the delegation of authority framework; and
- To approve the AVA Code of Conduct.

In fulfilling these responsibilities, the Board may, and has, delegated certain matters. The matters delegated to board committees are outlined in each Committee Charter, and those delegated to the CEO are outlined below in the section titled *Roles and Responsibilities of Chief Executive Officer* and in the Group's Delegation of Authorities Framework.

## 4. Board Committees

Any power so exercised is deemed to have been exercised by the Board. The Board, however, retains full responsibility for the exercise of delegated powers.

The AVA Board currently has the following committees:

- Audit and Risk Committee; and
- Nominations and Governance Committee.

Each board committee will have a charter approved by the Board. Directors are expected to serve on board committees. This membership will rotate and be subject to the needs of the committees and skills of the individual directors. The committees may co-opt outside expertise and delegate activities to management from time to time. The appointment of outside persons must be approved by the Board. The Board determines, and reviews as appropriate, committee memberships (in conjunction with the Nominations and Governance Committee) and charters at least annually.

Each committee will keep written minutes of its proceedings in accordance with good board practice, and the minutes of all committee proceedings will be available to all directors, except on the direction of the Chair in accordance with Section 8 of this charter - Conflicts of Interest.

## 5. Board Meetings

The frequency of board meetings is determined by the Board but in principle, board meetings are held a minimum of four times per year. An annual schedule of meetings will be established as soon as possible after the AGM.

A minimum of four face-to-face Board meetings are scheduled annually, to which all directors are expected to attend. Additional virtual meetings may occur as required. Hybrid meetings (where some directors attend in person and others attend virtually) will be facilitated at all scheduled face-to-face meetings in the event of unforeseen sickness of either the director or dependents, or other approved circumstance. Virtual attendance of a scheduled face-to-face meeting for reasons other than sickness (of the director or dependents) can only be approved by the President (or Vice-President in the absence of the President) on a case-by-case basis. A minimum of 14 days' notice is required for such circumstances.

The AVA strives to promote work-life balance and encourages a diverse board where all members of the profession are represented. Whilst the AVA acknowledges the work and family commitments of its Board directors, attendance at Board meetings is an expectation and incoming directors need to be aware of these commitments prior to nomination to the Board.

A board meeting can be convened by the company secretary at the request of any director at any time by giving all directors seven days' notice in writing. A meeting may, with the consent of all directors, be convened with less notice.

Urgent matters requiring the approval of the Board between scheduled meetings may be dealt with by way of a circular resolution.

A quorum for each meeting will be no less than four directors that are not excluded from voting by virtue of declaring a material personal interest in the matter being considered. No business shall be transacted unless there is a quorum of directors.

An agenda for each board meeting and briefing materials will be distributed to each director in sufficient time to enable directors to properly consider the agenda and briefing materials. This will normally be a minimum of five working days prior to each meeting.

The Chair will set the agenda for board meetings in consultation with the Chief Executive Officer, although any director may request the inclusion of specific items.

Each director should be familiar with the agenda for each meeting, have carefully reviewed all materials distributed in advance of the meeting, and be prepared to participate meaningfully in the meeting and to discuss all scheduled items of business.

Each director is free to raise matters that are not on the agenda for that meeting under general business.

The proceedings and deliberations of the Board and its committees are strictly confidential. Each director will maintain the confidentiality of information received in connection with her/his service as a director.

Senior members of management may be invited to attend board meetings to present reports on, or seek approvals within, their areas of responsibility. The external auditors will meet with the Board at least once per year as part of annual financial accounts preparation and reporting.

The Board and its committees may at any time hold “in camera” sessions, without the CEO or other management present. The CEO and / or Company Secretary may attend in camera sessions by invitation.

The draft minutes of the board meeting will be made available to the Chair within 5 working days of the completion of the board meeting then distributed to the other board members for amendment prior to the next board meeting.

## 6. Roles and Responsibilities of the President / Board Chair

The President presides over the Board and general meetings of the company. The Chair is responsible for ensuring the Board is well informed and effective, such that the members, individually and as a group have the opportunity to air differences, explore ideas and generate the collective views and wisdom necessary for the proper operation of the Board and the company.

The specific roles of the Board Chair include:

- Guiding the Board’s leadership and strategic vision for the company;
- Setting the agenda for board meetings in conjunction with the CEO;
- Leading the Board’s deliberations, including presiding over the board meetings and directing discussions to effectively use the time available to address the critical issues facing the company;
- Reviewing draft board minutes, and subject to the Board’s approval, signing them to confirm that they properly reflect the Board’s deliberations and decisions;
- Developing and maintaining an effective working relationship with the CEO;
- Facilitating an effective dialogue with the CEO, particularly between board meetings, about strategic matters and other issues that may be of interest to the Board;
- Promoting constructive and respectful relations between board members and between the Board and senior management;
- Where appropriate, acting as a spokesperson for the company. The Chair will normally direct media enquiries to the CEO or delegate or consult with the CEO before speaking to the media or otherwise speaking publicly on behalf of the company or in relation to its business; and
- Leading and guiding the ongoing effectiveness and development of the Board and individual directors.

The Board Chair is subject to the same duties as all other directors, including complying with AVA's Code of Conduct.

## 7. Role and Responsibilities of the Chief Executive Officer

The Board has delegated the management of the AVA to the CEO. Except for any specific powers reserved by the AVA or delegated to its committees or any individual director, the CEO may make all decisions and take any necessary action to carry out the management of the AVA as outlined in the Board approved Delegations Policy. In exercising this delegated authority, the CEO is accountable to the Board. The CEO must advise, and where appropriate consult with, the Chair on matters that are sensitive, extraordinary or of a strategic nature.

In the management of the AVA, the CEO's responsibilities include, among other matters:

- Implementing the strategic, business and financial objectives and/or plans of the AVA and instilling AVA's Code of Conduct;
- Analysing the impact on the strategic objectives and financial position, when allocating the AVA resources or capital; approving expenditure; or making major financial decisions;
- Implementing processes, policies and systems together with appropriate controls to effectively manage the operations and risk of the company;
- Ensuring the adequacy and integrity of information provided to the Board, to enable the Board to carry out its responsibilities;
- Managing the company so as to achieve the performance targets agreed between the Board and the CEO; and
- Ensuring the company's risk management and internal control frameworks are fully and effectively developed, implemented and managed.

## 8. Conflicts of Interest

In order to ensure their independent status all directors of the company are subject to the statutory duties and prohibitions regarding conflicts of interest. The company relies on the integrity of each director to identify and disclose any issues which could, or could reasonably be expected to, give rise to an actual or potential conflict of interest. Directors should be aware that while the existence or otherwise of a conflict of interest is a factual matter, the perception of a conflict can be damaging to the company's interests regardless of whether a conflict actually exists, and that the other directors and not the affected director are in the best position to assess the existence or otherwise of an actual, potential or perceived conflict of interest.

Each director is required to complete a Directors' Disclosure on appointment to the Board and to keep that disclosure current. The complete register will be provided to the Board annually.

Directors are required to:

- Advise the Board of any actual or potential conflicts of interest as soon as they arise; and
- Advise the Chair of any related party transactions involving the company (other than personal and domestic dealings with the company that are undertaken on a normal commercial basis).

Directors should refer to the AVA Board's Conflict of Interest Policy for further information on the process for declaring and dealing with conflicts of interests.

## Dealing with a conflict of interest

Details of any actual or potential conflict of interest of a director will be minuted along with any necessary action to be taken.

Where a director has disclosed a conflict of interest, the Chair may determine that the director is not to be provided with board papers or other material relating to the conflict. This determination may be recorded on the agenda, the relevant board paper and/or the minutes as the Chair determines.

A director with a declared and material conflict of interest shall not vote on any resolution concerning the issue and may only remain in the meeting during any discussion with the approval of the non-involved directors, which shall be minuted.

The Chair will determine whether the discussion, outcome or resolution is to be shared with the director with a conflict of interest and if the information is not to be shared with the director the information will be redacted from that director's minutes.

## 9. Confidentiality

Board confidentiality is paramount. It encourages open and frank discussion at meetings, helps facilitate the development of vision and the implementation of an effective strategy to achieve that vision, and protects information that is confidential, personal, or relates to employment, commercial or legal matters.

Board members must keep confidential all information pertaining to matters dealt with by the Board. This includes board meeting minutes, agendas, reports to the Board and associated documents, and information contained in those documents.

Maintaining confidentiality is one of the fiduciary responsibilities that every board member has. This means that board members must act honestly and put the interests of the organisation ahead of their own interests.

## 10. Induction and Continuing Education

Board members will be assisted by the company to fulfill their roles and responsibilities in ways which may include:

- An induction program for new directors in order to gain an understanding of the company's financial, strategic, operational and risk position, their rights, duties and responsibilities, the roles and responsibility of senior management and the role of Board committees; and
- Professional development opportunities to update and enhance their skills and knowledge. This includes education concerning key developments in the company and in the industry and environment within which the company operate.

## 11. Access, Reliance and Advice

The Board may obtain independent advice at the AVA's expense, including engaging with and receiving advice and recommendations from appropriate independent experts, with prior approval of the Board Chair.

Board members are entitled to rely on information, advice and assurances provided by management on matters within their responsibility, and on the expertise of independent experts, as long as they are not aware of any grounds that would make such reliance inappropriate.

## 12. Board Performance and Evaluation

The Board shall review its performance annually, with particular attention being paid to the extent to which it has met its responsibilities in terms of this Charter and its effectiveness in focusing on matters of key importance for the company. The Board will approve a framework and process to assess the effectiveness of the Board, its committees and directors, with a view to ensuring that its performance accords with best practice.

The findings of the review of performance will be discussed at a nominated board meeting or at a scheduled board workshop.

## 13. Charter Review

The Board will review this Charter on an annual basis and at such other times as it considers a review to be necessary or appropriate.



## Audit and Risk Committee Charter

### Purpose

The primary objectives of the Audit & Risk Committee (ARC) are to:

- Assist the Board in discharging for the company and controlled entities its responsibility to exercise due care, diligence and skill in relation to:
  - The organisation's financial reporting process and policies;
  - Financial management;
  - Internal controls;
  - The Risk Management Framework;
  - Protection of the company assets; and
  - Compliance with applicable laws, regulations, standards and best practice guidelines.
- Monitor and where possible improve the effectiveness of the internal and external audit functions;
- Monitor and where possible improve the quality of internal and external reporting of financial and non-financial information, and the correlation between such information;
- and
- Monitor fraud and corruption and oversee management's efforts to contain and eliminate fraudulent and corrupt behaviour.

### Membership of the Committee

The committee shall consist of at least five directors (unless there is a period at which the Board is not at full number, in which case the Committee will be allowed to operate with proportionally less directors). A quorum will consist of three members that are non-executive directors.

The committee is chaired by the AVA Treasurer. The committee may elect an acting Chair when required. The Chair of the AVA Board shall not be the Chair of the ARC.

The Board will select the members of the committee and determine who shall be its Chair. The AVA President and the CEO are ex-officio members. The membership of the committee and its Chair will be determined following the formation of the Board each year after the Annual General Meeting.

Other directors have the right to attend Audit and Risk Committee meetings except when the committee Chair determines that they have a conflict of interest in relation to matters to be discussed by the committee. The Company Secretary and relevant senior finance and audit executives will normally be invited to attend meetings of the committee, in the capacity of observer.

### Conflicts of Interest

Committee members will be invited to disclose conflicts of interest at the start of each meeting. Actual or potential conflicts of interest will be dealt with in accordance with the process outlined in the Board Conflicts of Interest Policy.

### Duties & Responsibilities

The duties and responsibilities of the committee follow:

### Audit

- Facilitate communication between the Board and external auditors;
- Facilitate the maintenance of the independence of the external auditor;
- Liaise with the external auditors and oversee the conduct of the annual statutory audits;
- Review key issues in external audit reports (both statutory and performance audits) to monitor action taken by management in respect of audit report findings and/or recommendations;
- Make a recommendation to the Board regarding the appointment or dismissal of an auditor for the following year;
- Review and maintain an appropriate internal control system; and
- Assess the internal processes for determining and managing important judgements and accounting estimates thereby improving the creditability and objectivity of the accountability process, including financial reporting.

### Financial management

- Review financial statements and other financial reports and information distributed externally and to the Board, focusing particularly on:
  - Any changes in accounting policies and practices;
  - Key assumptions or matters of business judgement affecting the financial statements;
  - Significant judicial matters affecting the company;
  - The results of the financial audit including significant adjustments resulting from the audit;
  - Compliance with, and the process for ensuring compliance with, the accounting standards, Government, regulatory, legal and other requirements for the financial statements;
  - Significant transactions that do not form part of the company's normal business; and
  - Representation letters, including from management to the Board, and from the Board to the auditors.
- Monitor and assess the performance of the financial management of the company;
- Ensure the CEO and management provide financial reports that make clear significant trends, with data relevant to agreed benchmarks and Board agreed measures including tests of solvency, cash flow and ratios;
- Provide guidance on the development of the annual budget; and
- Provide advice to the Board on asset management including investments in financial assets and property.

### Risk Management

- Review the effectiveness and efficiency of the risk management function in the context of the company's size, scale and complexity of operations;
- Develop, review and maintain a risk management framework and control systems and undertake regular reviews of risk controls in line with the strategic plan;
- Review the risk treatment and mitigation policies and procedures developed by management including procedures for reporting of matters to the Board and the Audit and Risk Committee;
- Review reports from management, external auditors, legal counsel, regulators, and consultants as appropriate, regarding risks the company faces and the company's management of those risks;

- Review reports from management in implementation of workplace health and safety controls and systems;
- Review the approach to establishing business continuity arrangements, including the currency and testing of business continuity and disaster recovery arrangements; and
- Review the company's insurance coverage (including directors' and officers' insurance) on an annual basis, approve proposed insurance coverage and broker arrangements, and monitor insurance.

#### Compliance

- Consider processes in place to support compliance with laws, regulations, standards, statutory requirements, and best practice guidelines;
- Monitor operations and maintenance of records to ensure compliance with company policies and practices; and
- Review procedures for the management and exercising of delegations.

#### Other responsibilities

- Undertake at the request of the Board analysis of relevant items on the board agenda and bring recommendations to the Board for approval;
- Recommend to the Board the engagement of independent consultants to assist in the management of risk-related issues;

#### **Procedures**

##### Reporting

The Chair of the committee shall report the findings and recommendations of the committee to the Board. The minutes of all committee meetings shall be circulated to members of the Board, except as noted in the Board Charter. Such minutes or reports are to describe major matters considered by the committee and any recommendations to management or the Board.

##### Meetings

Either face-to-face or virtual meetings of the committee shall be held at least four times a year. Minutes will be circulated to the Chair promptly after the meeting and confirmed at the next meeting of the committee.

##### Review

This Charter shall be reviewed and approved on an annual basis by the Board.

## Nominations and Governance Committee Charter

### Purpose

The Nominations and Governance committee oversees and monitors board performance, succession planning, director selection and director development. It also reviews the executive performance, succession planning and recruitment of the CEO.

The Nominations and Governance committee is not a decision-making body. Instead, it assists the AVA Board by implementing Board policy on Board composition and recommending nominations which require Board approval.

Tasks may include:

- Reviewing operational charters and policies prior to being presented to the Board.
- Ensuring Constitutional relevance.
- Ensuring legal compliance obligations of the AVA.
- Recommending nominations and remuneration for key roles.
- Assessing Board structure, skills and performance.
- Appointment of directors.
- Board succession planning and director professional development.
- Matters relating to Chief Executive Officer selection and performance.
- General Governance matters.

### Duties & Responsibilities

The Committee considers any matters necessary in order to fulfil its objectives and makes recommendations to the Board. The Committee also considers any other matters referred to it by the Board.

The Committee's responsibilities include determining that an appropriate and transparent process is in place for the effective succession planning and renewal for the Board and Board Committees. The main duties and responsibilities of the Committee are as follows:

- Periodically review and recommend to the Board appropriate revisions of the AVA governance framework, including the AVA Constitution, Board charter, Directors Handbook, Conflict of Interest Policy, Audit and Risk Committee Charter and Nominations and Governance Committee Charter.
- Periodically, review the charters of the Board and other committees and, where necessary consult with the relevant committee and respective chair, to make change recommendations to the Board.
- Assess and review the Terms of Reference for committees and working groups annually and present to the Board for recommendation.
- Periodically review the composition of AVA committees and working groups and present recommendations to the Board for the appointment of members as needed.
- Assessing the ongoing requirement for committees and working groups and regularly reviewing performance of these.
- Assess the extent to which the necessary and desirable competencies are represented on the Board.
- Ensure Board succession plans are in place to maintain the required mix of skills and experience.
- Overseeing a process for election of directors.

- Recommend to the Board the remuneration policy for President, directors (subject to constitutional directions), other AVA appointed positions and the CEO, including expense reimbursement.
- Undertake regular performance reviews of the CEO and setting of annual KPIs.
- Propose professional development activities for the Board and management.
- Develop a process for evaluating the performance of the Board.

The Committee also considers any other governance matters referred to it by the Board. The Committee will act in accordance with any procedure approved by the Board from time to time.

#### New directors

- Annually conduct searches for potential new Board candidates, taking into account the Board skills audit.
- Have a process to provide potential nominees for a director position with information about the roles and requirements.
- Review the nomination from members who wish to be appointed to the Board in accordance with the preferred criteria and guidelines; and
- Have a formal induction process for newly elected directors.

#### Chief Executive Officer (CEO) objectives

- Establish a CEO selection and succession plan, reviewing annually.
- Provide a performance management, monitoring and reporting framework for the CEO.
- Coordinate CEO review with the Chair, AVA President and one other committee member. Conduct the evaluation of the CEO's performance for the previous year and recommend the results of the evaluation to the Board.
- After consultation and discussion with the CEO, recommend to the Board ongoing professional development of CEO.

#### **Composition and term**

The Nomination and Governance committee is a committee of the AVA Board.

The committee consists of at least five directors. A quorum consists of three directors.

The Board selects the members of the committee and determine the Chair. The AVA President and the CEO are ex-officio members. The membership of the committee is a one-year term with the Chair being determined following the formation of the Board each year after the Annual General Meeting. The committee will develop a 12-month calendar of standing items on the meeting agenda.

The Board may remove and replace the Committee Chair or any Committee member at any time with or without cause.

If the Committee Chair is unable to attend a meeting, the Committee Chair will appoint an alternate Chair who will act as Chair for the purposes of that meeting. In the event the Committee Chair is incapacitated, the AVA President will appoint an alternate Chair who will act as Chair for the purpose of that meeting.

The secretary of the Committee is a person nominated by the Committee Chair.

The committee may invite other people to attend as it sees fit and consult with other people or seek any information which will help it fulfil its responsibilities.

Other directors have the right to attend Nominations and Governance Committee meetings except when the Committee Chair determines that they have a conflict of interest in relation to matters to be discussed by the Committee.

### **Meetings**

Meetings of the Committee shall be held at least twice each year and additionally as it considers necessary.

Meetings may be held in person, by telephone or by video conference or by any combination of these media.

The secretary takes minutes of the proceedings of all meetings of the Committee.

The minutes are provided to the Committee Chair for review as soon as practicable after the meeting and then circulated to the Committee members for approval.

### **Conflicts of Interest**

Committee members will be invited to disclose conflicts of interest at the start of each meeting. Actual or potential conflicts of interest will be dealt with in accordance with the process outlined in the Board Conflicts of Interest Policy.

### **Procedures**

#### Reporting

The Chair of the Committee shall report the findings and recommendations of the Committee to the AVA Board. The minutes of all Committee meetings shall be circulated to members of the Board, except as noted in the Board Charter. Such minutes or reports are to describe major matters considered by the Committee and any recommendations to management or the Board.

#### Review

This Charter shall be reviewed by the Committee and approved on an annual basis by the Board.