



BOARD OF DIRECTORS CHARTER & GUIDELINES FOR OPERATIONS

1. INTRODUCTION

The Australasian Promotional Products Association (APPA) Constitution governs the regulation of meetings and the proceedings of the Board of Directors.

This Charter has been developed to:

- summarise and extend the relevant elements of the Constitution;
- provide a clear statement of the roles, responsibilities, processes and operations of the Board for the benefit of both the Board and management; and
- ensure the practices of the Board are consistent with and reflect the Board's commitment to best practice in corporate governance.

2. OVERARCHING RESPONSIBILITY

The Board of APPA is an elective, representative, and collective body:

- It is elective, in that the determination of Directors is the prerogative of members through the election process;
- It is representative, in that no Director can be mandated to adopt a position if they do not believe it to be in the best interests of the organisation. Directors are committed to making decisions and voting on governance decisions solely in the best interests of the organisation;
- It is collective, in that while each Director should put the point of view forward, and each Director has the right to argue for their own point of view and to vote for that position, once a collective decision has been taken Directors are required to support that decision.

In carrying out its responsibilities and exercising its powers, the Board recognises its overriding responsibility to act honestly, fairly, diligently and in accordance with the law in serving the interests of the members of APPA, as well as its employees and the community.

3. BOARD RESPONSIBILITIES

The function of the Board of APPA is to collectively ensure the delivery of the organisation's objects, to set its strategic direction, and to uphold its values. The Board is responsible and accountable for ensuring and monitoring that the organisation is performing well, is solvent, and is complying with all its legal, financial, and ethical obligations.

The responsibilities of the Board that cannot be delegated to any other person or body include:

- Compliance monitoring: ensuring compliance with the objects, purposes and values of the organisation, and with its Constitution;
- Organisational governance: setting or approving governing policies, strategic plans and annual budgets to achieve those objectives, and monitoring performance against them;
- Strategic planning: reviewing and approving strategic direction and strategic initiatives;
- Regulatory monitoring: ensuring that the organisation complies with all relevant laws, regulations and regulatory requirements;
- Financial monitoring: reviewing the organisation's budget, monitoring management and financial performance to ensure the solvency, financial strength and good performance of the organisation;
- Financial reporting: considering and approving annual financial statements and required reports to government;
- Organisational structure: setting and maintaining a framework of delegation and internal control;
- Leadership selection: selecting, evaluating the performance of, rewarding and, if necessary, dismissing the organisation's CEO;
- Succession and remuneration planning: planning for Board and CEO and determining CEO remuneration;
- Risk management: reviewing and monitoring the effectiveness of risk management and compliance in the organisation; agreeing or ratifying all policies and decisions on matters which might create significant risk to the organisation, financial or otherwise;
- Board performance and composition: evaluating and improving the performance of the Board.

4. PRESIDENT

The Board is empowered by the Constitution to appoint from its Directors a President and a Vice President for the period of one year.

At meetings in the absence of the President, the Vice President will chair the meeting or in the absence of both the President and Vice President, directors present will elect a Director present to Chair the meeting.

The role of the President will be to:

- Chair Board meetings;
- Establish the agenda for and frequency of Board meetings (together with the CEO);
- Chair meetings of members, including the Annual General Meeting/Annual Members Meeting;
- Ensure the Board's decisions have been implemented;

- Act as the link between the Board and the CEO and facilitating an effective and collaborative relationship between the two;
- Oversee the management of the recruitment, induction, and training of Board members (in partnership with the Board);
- Ensure there are processes and procedures in place to evaluate the performance of the Board and committees;
- Oversee the annual performance review of the CEO.

5. BOARD COMPOSITION & QUORUM

Clause 42 of the APPA Constitution governs the composition of the Board.

The Board must have at least five (5) and no more than nine (9) member Directors.

The Board shall be made up of at least two (2) distributor members or representatives of distributor members and two (2) supplier members or representatives of supplier members. The Board may appoint up to two (2) additional Directors who are non-members, who will be known as board appointed Directors.

The Board shall determine from time to time how many Directors shall be member Directors and how many Directors shall be Board appointed Directors.

Although not a requirement stated in the Constitution, the Board acknowledges the preference to have a New Zealand member director on the Board.

Clause 56 of the APPA Constitution governs a quorum:

- Unless the Directors determine otherwise, the quorum for a Directors' meeting is Directors being personally present (or in conference pursuant to clause 57) who represent a majority of the total number of Directors;
- A quorum must be present for the whole Directors' meeting.

6. BOARD MEETINGS

Clause 53 of the APPA Constitution governs the regulation of meetings and proceedings of the Board.

The Board is required to meet at least four times a year and otherwise as is deemed necessary by the President. Most Board meetings are held in person; however, the Board may hold meetings via teleconference or pass a resolution via circulation of email. Directors should spend the time necessary and meet as frequently as necessary to properly discharge their duties.

7. BOARD COMMITTEES

The Board may from time to time establish appropriate Committees to assist it in the discharge of its responsibilities. However, the Board will not delegate any of its decision making authority to those Committees.

Committees of the Board meet on such occasions as are required by the committee's charter or as each committee determines. Meeting procedures for committees are governed by their respective committee charter. The role, function, performance and membership of each Committee will be reviewed on an annual basis as part of the Board's self-assessment process.

8. CODE OF CONDUCT

Directors must, at all times, act in accordance with legal and statutory requirements and discharge all their duties as Directors. In discharging his/her duties, each Director must:

- exercise care and diligence;
- act in good faith in the best interests of APPA and its values;
- disclose conflicts of interest via a register of interests;
- make reasonable enquiries if relying on information or advice provided by others;
- not permit APPA to engage in insolvent trading;
- contribute to a positive Board behaviour and culture by showing respect for other Directors opinions, allowing each Director a fair and equal opportunity to contribute to discussion/decision making and refrain from personal attack or derogatory comment;
- demonstrate consensus with decisions made by the Board, whether or not Directors agree with the decision, and once decided Directors will 'speak with one voice' on the matter;
- keep all proceedings of the Board (including sub-committees of the Board), such as Board discussions, papers, minutes, presentations and other material provided to the Board strictly confidential (except as agreed by the Board) and shall not:
 - disclose any confidential information acquired by virtue of their position as a Director;
 - use any confidential information acquired by virtue of their position on the Board for their personal financial or other benefit or for that of any other person;
 - permit any unauthorised person to inspect or have access to any confidential documents or other information.
- review Board papers and prepare before Board meetings as well as acquaint themselves with issues confronting the Board;
- undertake appropriate training to enable them to discharge their duties, including the Board Induction Program;
- commit the time necessary to discharge effectively his/her role as a Director.

9. DECLARATION OF INTERESTS

Directors are required to take all reasonable steps to avoid an actual, potential or perceived conflict of interest with APPA's interests and must comply with the requirements below with respect to the disclosure of actual, potential or perceived conflicts of interest.

Directors shall declare any conflicts of interest of which they become aware either at the start of the Board meeting concerned or when a relevant issue arises.

During a Board meeting, the Director concerned shall leave the room as soon as that item comes up for discussion. The concerned Director shall not vote on that issue, nor initiate or take part in any Board discussion on that topic (either in the meeting or with other Directors before or after the Board meetings), unless expressly invited to do so by majority agreement by other Directors present. The Director's conflict of interest and any abstinence will be recorded in the meeting minutes.

A Director who believes another Director has an undeclared conflict of interest may specify in writing the basis of this potential conflict.

10. DIRECTOR REMUNERATION

APPA does not provide remuneration to Directors however will meet the direct travel and accommodation costs of Directors related to Board Duties.

11. DIRECTOR INDUCTION

All new Directors appointed to the Board undertake a formal induction program co-ordinated by the CEO and will be required to sign a confidentiality agreement.

12. DELEGATION OF AUTHORITY

Subject to the formal delegations of authority, the Board delegates responsibility for the operation and management of APPA's business to the CEO and the management team. The Board will adopt appropriate structures and procedures to ensure it retains its independence and functions independently of management.

Directors have no individual authority to participate in the day to day management of the Association. This includes making any representations or agreements with Member companies, suppliers, business partners, employees or other parties or organisations unless such authority is explicitly delegated by the Board through resolution to the Director either individually or as a Member of a Committee.

13. CHIEF EXECUTIVE OFFICER

The CEO leads APPA's staff and is accountable to the Board for the overall management and performance in accordance with the strategy and policies approved by the Board.

Only the Board acting as a body can instruct the CEO with instructions issued through the Chair.

The CEO will have a formal employment agreement describing his/her term of office, duties, rights, responsibilities and entitlements and his/her performance will be regularly evaluated against the achievement of agreed performance measures set by the Board.

14. PERFORMANCE EVALUATION

The Board shall perform an evaluation of its performance annually (or as required) to determine whether it is functioning effectively by reference to current best practice and

regulatory obligations. This evaluation will be via a self-assessment questionnaire to evaluate (1) the performance of the Board, and (2) each Director.

15. REVIEW AND PUBLICATION OF CHARTER

The Board will review and update this Charter on a bi-annual basis.

This Charter shall be made available on the Association's website.

16. HISTORY AND VERSION CONTROL

Version	Prepared By	Approved By	Approved Date
Version 1.0	Governance Committee	Board	5 th March 2020
Version 1.1	CEO & Chair	Board	28 th August 2020