



# Director's Charter & Agreement

Australian Association of Graduate Employers Limited

(ACN 003 547 680)

## Part A - Charter

This is the charter of the Board of Directors of the Australian Association of Graduate Employers (AAGE). This Charter has been developed and approved by the Board of the AAGE to outline the way the Board discharges its responsibilities. The powers and duties of individual Directors are set out in the AAGE Constitution.

### Definitions

**AAGE** – Australian Association of Graduate Employers

**Board** – means the board of Directors of the Company.

**CEO** – means the Chief Executive Officer of the AAGE.

**Chair** – means the Director or Co-opted Director nominated by the Board

**Committee** – means all those persons comprising the Committee of the Company, including Members of the Board of Directors.

**Company** – means the Australian Association of Graduate Employers.

**Director** – refers to both Elected Directors and Co-opted Directors as per the AAGE Constitution.

### Purpose

The purpose of this Charter is to:

- Serve as a reminder of the legal framework within which the Board operates.
- Document the responsibilities the board has decided upon to meet its legal and other responsibilities.
- Allow communication of the board's policies and expectations to management.
- Provides guidance and comfort to members that the board has implemented robust governance processes.
- Be a point of reference for disputes.
- Serve as an induction tool for new directors.
- Ensure that the board focuses on how they can continuously improve their governance processes for the benefit of the organisation.
- Serve as a team development technique for both board members and senior management, to clarify roles and expectations.

### Related Documents

- *Corporations Act 2001*
- AAGE Constitution
- AAGE Directors Appointment Policy
- AAGE Delegations of Authority
- AAGE Risk Management Framework

### Board Role

The primary role of the Board is to provide effective governance over the AAGE's affairs to ensure the interests of members are protected and confidence maintained whilst having regard for the interests of

all stakeholders including full members, associate members, AAGE staff, committee, suppliers, professional associations and universities.

## Board Composition

The Board shall consist of up to five (5) Elected Directors, up to two (2) Co-opted Directors and a Company Secretary.

The Chair of the Board will be elected by existing Board Members. The election process will be coordinated by the outgoing Chair.

The **Chair** of the Board:

- Is a Director appointed by the Board.
- Facilitates discussion amongst Board members and ensures that decisions are made.
- Presides at Board and general meetings of the AAGE.
- Is responsible for ensuring that the Board discharges its role, and works closely with the CEO in that regard.
- Has the casting vote in the case of a disagreement or dispute between Directors.
- Must approve any external professional advice (at the company's expense) required by the Board to fulfil their relevant duties.

Other activities include:

- Bank payments/approvals exceeding CEO financial delegation
- Signing of contracts exceeding CEO financial delegation
- CEO performance reviews
- CEO weekly updates
- CEO monthly payroll approval
- Signing of Board minutes
- Approval of Board agenda
- Quarterly member newsletter update
- Annual conflict of interest reports for Directors
- Committee appointment coordination
- Director appointment coordination.

The Chair may delegate non-financial activities to other Directors on a case-by-case basis.

The Board is supported in governance and administration by the **Company Secretary** who is responsible for:

- Coordinating all Board business including meetings, agendas, board papers and minutes, and monitoring the completion of actions arising from Board meetings.
- Attending to the statutory requirements relating to the AAGE's registered office, annual returns and lodgement of other documents with ASIC.

## Board Meetings

The Board shall meet as often as deemed necessary by the Directors to fulfil their duties and responsibilities as directors as dictated by the needs of the AAGE.

- A meeting of the Board can be convened by the Chairman, CEO or a majority of the directors.
- The Board may meet without the presence of the CEO as needed.
- A quorum shall consist of a majority of directors.

All proceedings of the Board, including papers submitted and presentations made shall be kept confidential and will not be disclosed or released to any person other than Board members, except as required by law or as agreed by the Board.

## Board Responsibilities

The *Corporations Act 2001* specifies four main duties for directors of a company:

- 1 **Care and diligence:** to act with the degree of care and diligence that a reasonable person might be expected to show in the role.
- 2 **Good faith:** to act in good faith in the best interests of the company and for a proper purpose, including avoiding conflicts of interest, and to reveal and manage conflicts if they arise.
- 3 **Improper use of position:** to not improperly use their position to gain an advantage for themselves, someone else or to the detriment to the company.
- 4 **Improper use of information:** to not improperly use the information they gain during their director duties to gain an advantage for themselves or someone else or to the detriment to the company.

As such, the Board takes lead responsibility for the following:

### Governance

- Selecting, monitoring the performance of, regularly evaluating and if necessary, replacing the CEO.
- Monitoring the CEO's implementation of and compliance with the system of governance.
- Review, evaluate and approve the strategic direction of the AAGE.
- Approving annual business plans as proposed by the CEO.
- Approving policies and procedures pertaining to the governance of the AAGE.
- Appointing and terminating the Company Secretary.
- Approving the contracting of independent professional advice.
- Undertaking succession planning for the Board and the CEO.
- Sourcing, selecting and appointing Board members.
- Evaluating Board policies and processes.
- Reviewing Board composition and evaluating Board performance.
- Inducting new Board members.
- Sourcing, selecting and appointing Committee members.

### Approval Authority

- Determining and approving the level of authority to be delegated to the CEO.
- Approving expenditure and risk-taking authorities in excess of the limits delegated to the CEO.

### Ethical and Responsible Decision Making

- Setting the standards of behaviour and leading by example.
- Making decisions in accordance with agreed policies and practices.
- Providing counsel to the CEO.

### Integrity in Financial Reporting

- Approving the annual budget as proposed by the CEO.
- Reviewing and approving half-yearly and annual financial statements and other prepared or published financial information.
- Approving appointment of external auditor (including rotation of external audit partner).

### Recognise and manage risk

- Approving and overseeing the process developed by the CEO to ensure business risks are identified.

- Approving systems of risk management and associated policies.
- Monitoring the CEO's implementation of, and compliance with, these systems and controls.

#### **Remunerate fairly and responsibly**

- Approving the remuneration of the CEO and staff.

#### **Director Agreement**

All appointed Director's must sign and adhere to the principles outlined in the attached AAGE Director's Agreement.

#### **Director Compensation**

All Board positions are on a voluntary basis with no entitlement to remuneration. Other expenses related to carrying out the duties of a Director may be reimbursed with the pre- approval of the Board.

#### **Removal of a Director**

Where a Director fails to meet the agreed expectations of their role as a Director, or contravenes policies and guidelines where there is a resulting impact to the AAGE and its reputation and/or operations, the Chair with the agreement of the majority of the Board can remove a Director and appoint another Director instead.

Prior to this, the Chair must follow a due diligence process to establish the facts and provide the relevant Director with natural justice (right of reply).

#### **Vacating Director Positions**

All vacating Directors should give consideration to:

- Returning any AAGE intellectual property (including documents) to the Board or CEO prior to vacating the position.
- Where possible, supporting the induction of the incoming Director.
- Maintaining confidentiality after leaving the Director role.

Where a Director vacates their position, consideration should be given to the following:

- Sufficient notice period allowing for the appointment of a new Director (approximately four weeks).
- Where their resignation results in the number of Board Members not meeting the minimum of three (3) Directors required as per the *Corporations Act 2001* and AAGE Constitution that they remain in the position until a replacement Director is appointed.

## Part B - Agreement

The purpose of this agreement is to provide clarity around the expectations of Director's behaviour and performance while carrying out their duties.

It is expected that all Directors will adhere to this agreement to ensure that AAGE Board operations are managed with integrity, confidentiality and impartiality.

### 1. Conflict of Interest

- 1.1 All existing or potential conflicts of interest will be declared (and officially documented in the minutes of the relevant meeting or discussion).
- 1.2 I will act in the interests of the AAGE and any information obtained relating to AAGE activities will be used properly and in the best interests of the AAGE. I will immediately disclose actual or potential conflicts of interest to the Board.
- 1.3 I will use my position appropriately and will not use my position as a Director to seek undue advantage professionally, for my business or associates, or to cause detriment to the AAGE and the graduate recruitment/development industry.
- 1.4 My actions will mitigate any doubt on my ability to apply independent judgement as a Board member of the AAGE.

Accordingly:

- Any business or personal matter which is, or could be, a conflict of interest involving my role and relationship with the AAGE must be declared and documented.
- Any real or potential conflict of interest will be declared and recorded in the minutes of any meeting or discussion prior to the relevant issue being considered.
- I understand that where a conflict of interest is identified, the Chair will ensure that the conflict is managed in an appropriate manner.
- Where a conflict of interest is identified, the Chair may determine that I may or may not remain in the meeting for a part of the meeting; may or may not contribute to the discussion on the relevant issue; may or may not vote on the relevant issue.
- If I am aware of a real or potential conflict of interest of another Director, I have a responsibility to bring this to the notice of the Board.

Examples of conflict of interest include, but are not limited to:

- When a Director or his/her business interests stand to gain financially from any business dealings, programs or services of or with the AAGE.
- When a Director offers a professional service or goods to the AAGE.
- When a Director or his/her business stands to gain personally or professionally from any insider knowledge if that knowledge was to be used for personal or professional advantage.
- When a Director or his/her business has an affiliation or interest with an AAGE supplier that may impact their ability to undertake their role as a Director in an impartial manner.

### 2. Endorsements

- 2.1 I agree to comply with the AAGE Endorsements Policy. The following guidelines have been provided as part of this Agreement.
- 2.2 When a request to provide an endorsement is received, I must gain approval via email from the remainder of the Board.
- 2.3 Directors have three (3) days to provide comment on my request. If comments are not received within this three (3) day period, I am able to proceed with the endorsement.
- 2.4 In reviewing my request, Directors will consider whether it is appropriate or necessary for me to provide an endorsement using my name and role title and what impact this may have on my role as a Director.
- 2.5 The conditions in which an endorsement, testimonial or other public comment can be provided by me are:

- A. I must not use my title as an AAGE Director to endorse a supplier.
- B. I must have utilised the services of the supplier.

### **3. Confidentiality**

- 3.1 I acknowledge that I must keep confidential all Board Information which is of its nature is confidential or designated by the Chair to be confidential. For example:
  - a. Reports and information submitted to the AAGE's Board
  - b. Deliberations of the AAGE's board and formal and informal records of such deliberations
  - c. Communication between Directors of the AAGE, the CEO and any parties regarding the AAGE.
- 3.3 I will use confidential information only as is legitimate and necessary for me to perform my role in respect of the AAGE and strictly in accordance with this policy.
- 3.4 I agree to notify the Board and CEO immediately, and provide full details, if I am aware or reasonably suspect that:
  - A. Confidential Information has, or might have been, accessed, used, modified or disclosed in any way other than as permitted under this policy; or
  - B. There has been any other breach of this policy.
- 3.5 I agree that Board Information remains confidential throughout the duration of my official role with the AAGE and once this role has ceased.

### **4. Representing the AAGE**

- 4.1 I acknowledge that I may be recognised as a member of the AAGE Board by AAGE members and others in the graduate recruitment and development industry, and that I should avoid the appearance of representing the AAGE when utilizing online communication in my individual capacity and not as an AAGE representative.
- 4.2 If an issue/topic relates to the AAGE, whether directly or indirectly, it must be assumed that any response from myself will be perceived as an official response from AAGE.

### **5. Non-Compete**

- 5.1 I will not:
  - 5.1.1 Undertake any appointment or position or work or advise or provide services to, or be engaged, or associated with any business or activity, without the prior written consent of the Board, that:
    - a. results in the business or activity competing with the AAGE
    - b. adversely affects the AAGE or its reputation
    - c. hinders my performance of my duties.
  - 5.1.2 Knowingly do, or willingly permit to be done, anything to prejudice or cause loss or injury to the AAGE.

### **6. Intellectual Property**

- 6.1. I acknowledge that the AAGE is the owner of Intellectual Property Rights in the works created by me where the work was requested by the AAGE. I will disclose to the AAGE all works created at the request of the AAGE whether capable of attracting Intellectual Property Rights or not
- 6.2. I acknowledge that my employer is the owner of Intellectual Property Rights in the works created by me where the work was requested by my employer
- 6.3. I acknowledge that I am the owner of Intellectual Property Rights in the works created by me where the work was initiated by me.

### **7. Business Continuity**

- 7.1. I acknowledge that my role is of a temporary nature and that Board positions will be vacated at times. As a result, I agree to act in a manner that supports continuity of business for the AAGE.
- 7.2. I agree that when I intend to vacate my position on the Board, I will provide sufficient notice (4 – 8 weeks) to allow time to advertise and fill the vacancy.

- 7.3. In vacating my position, I will not willingly place the AAGE in a position of a potential breach of the Corporations Act 2001, AAGE Constitution or related AAGE policies.
- 7.4. I agree to take an active role in providing a detailed induction for new Directors.

**SIGNED BY THE DIRECTOR**

**IN THE PRESENCE OF:**

.....  
**DIRECTOR**

.....  
**FULL NAME**

.....  
**DATE**

.....  
**WITNESS**

.....  
**FULL NAME**

.....  
**DATE**