
Standards Australia Limited

Board Charter

Date 26 November 2021

Approved and adopted by the Board on 25/11/2021

A handwritten signature in black ink, appearing to be 'A. Brown', located at the bottom right of the page.

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STANDARDS AUSTRALIA LIMITED

BOARD CHARTER

1. Adoption of Charter

This Board Charter (**Charter**) will commence on the date that the Directors resolve to adopt it as a By-Law of the Company in accordance with the Constitution (**Constitution**) of Standards Australia Limited (**Company**).

2. Defined terms

Terms defined in the Constitution will have the same meaning in this Charter.

In addition:

Management means the Company's management, including but not limited to the Chief Executive Officer and Executive team.

Member means a Member of the Company under the Constitution.

3. Introduction

The purpose of this Charter is to document the objectives, responsibilities and governance framework for the operation of the Board of the Company and its relationship to Board internal committees.

Standards Australia Limited was incorporated on 1 July 1999, having been formed from the Standards Association of Australia, a body incorporated by Royal Charter in 1950 that had originally commenced operations in 1922.

Standards Australia Limited is a company limited by guarantee and is also registered under the ACNC Act.

As a company limited by guarantee Standards Australia Limited has non-financial Members rather than shareholders.

4. Responsibilities

4.1 The Board is responsible for:

- a) overseeing the management of Standards Australia;
- b) providing strategic direction through approving and periodically reviewing the strategic plan and setting performance objectives;
- c) approving the annual budget including targets for revenue, surplus or deficit, capital expenditure, and cash flows, as proposed by management;
- d) approving and monitoring the progress of major capital expenditure, capital management, acquisitions, divestitures and mergers;

- e) monitoring management's performance, implementation of strategy, and allocation of resources to achieve the business policies, strategies, objectives and budgets;
- f) approving major policies relating to investments; taxation and health and safety;
- g) approving the remuneration policy for the company and the remuneration of Directors;
- h) appointing and removing the Chief Executive Officer (CEO), and determining the terms and conditions of appointment, including the remuneration package;
- i) agreeing performance targets with, and monitoring the performance of, the CEO;
- j) appointing and removing the Company Secretary;
- k) reviewing succession plans for the management team;
- l) determining and approving the levels of authority to be given to the CEO and other senior employees of the company in relation to operational expenditures, capital expenditures, contracts and the operation of banking and credit facilities, and authorising any further delegations of those authorities by the CEO;
- m) approving (subject to Member endorsement) the appointment of the external auditor;
- n) approving and monitoring financial and other reporting including the annual statutory financial statements and reports;
- o) maintaining succession plans for governance positions such as the Chair of the Board, Directors, Chair of Board Committees and Board Committee Members;
- p) approving Charters of the Board and its Committees;
- q) approving the admission of Members;
- r) reporting to Members and monitoring systems for keeping stakeholders informed;
- s) monitoring the identification of business risks, reviewing and ratifying systems of risk management including agreeing and articulating the Board's risk appetite, internal compliance and control, legal compliance, and compliance with Standards Australia's ethical standards and policies, to ensure appropriate compliance frameworks and controls and an appropriate culture of risk management are in place; and
- t) monitoring compliance with best practice corporate governance requirements.

4.2 The following responsibilities may be delegated by the Board to management:

- a) day-to-day management of Standards Australia in accordance with the strategy approved by the Board, including the following areas:
 - i. financial and capital management and reporting;
 - ii. operations;
 - iii. information technology;
 - iv. marketing;
 - v. customer service;

- vi. developing relationships with government departments, Members and other industry participants; and
 - vii. human resources;
 - b) reporting to the Board on the performance of Standards Australia;
 - c) consulting with the Board where appropriate regarding senior executive appointments and dismissals, organisational changes and senior executive remuneration policies and practices;
 - d) such other duties as are from time-to-time delegated by the Board.
- 4.3 It is intended that the CEO can take all decisions and actions which further the strategic objectives of Standards Australia, and which in his or her judgement are reasonable having regard to the matters reserved by the Board, and the potential effect on the reputation of Standards Australia.
- 4.4 The CEO will report systematically in a spirit of openness and trust of the progress being made toward achievement of the strategic objectives of Standards Australia as determined by the Board.
- 4.5 Responsibilities and approvals delegated by the Board to its Committees are documented in Board Committee Charters.
- 4.6 The Board will, on a regular basis, undertake a review of its responsibilities and its Committees; and the responsibilities of management to ensure that they remain appropriate for the business conducted by Standards Australia.

5. Roles

5.1 Directors

Directors are to act at all times with due care and diligence in discharging their duties and fiduciary responsibilities under the Act (and in compliance with the Board of Directors Code of Conduct). Directors decide what matters are delegated to management and what controls are in place to oversee the operation of these delegated powers.

5.2 Chair of the Board

The Chair of the Board is appointed by the Board from amongst the elected Directors and is non-executive and independent of the role of Chief Executive Officer.

The Chair is responsible for leadership of the Board and for the efficient organisation and conduct of the Board's function.

It is important that the Chair facilitate the effective contribution of all Directors and promote constructive and respectful relations between Directors and management.

It is vital that the Chair commits the time necessary to discharge that role effectively. In that context the number of other positions held, and time commitment associated with them, should be taken into account.

It is expected that the Chair will communicate their intention to the Board in respect of retirement at an appropriate time so that a smooth changeover can be effected. The Board may appoint one of the Directors as Deputy Chair, to act for the Chair as required and to provide a potential line of succession.

5.3 Role of the Chief Executive Officer

The Chief Executive Officer is responsible to the Board for the leadership, management and overall Company performance.

The Chief Executive Officer manages the Company in accordance with the strategy, plans and policies approved by the Board to achieve agreed goals. In particular the Chief Executive Officer's responsibilities include:

- (a) Taking and approving all and any actions and initiatives required to deliver the Company's strategy, mission, vision and operating plans approved by the Board
- (b) Ensuring all risks are identified and managed
- (c) Maintaining an effective management team
- (d) Managing expenditures within approved limits and budgets
- (e) Ensuring that all actions comply with Company policies and procedures in force from time to time
- (f) Ensuring that the Board is made aware of any significant issues that affect the Company's wellbeing
- (g) Other responsibilities as delegated from time to time by the Board

5.4 Role of the Company Secretary

The Company Secretary plays an important role in supporting the effectiveness of the Board by monitoring that Board policy and procedures are followed and coordinating the completion and dispatch of Board Meeting agenda and briefing materials.

The Company Secretary is accountable to the Board, through the Chair, on all governance matters.

6. Board Structure

6.1 Board Composition and Size

The Board's composition and size and the election, appointment and tenure of Directors are set out in the Constitution.

6.2 Board Committees

To consider issues in more detail the Board can establish Board Committees, which then report back and advise the Board. As required by the Constitution, the Committees will include:

- (a) a Committee formed for the purpose of assisting the Board with standards development and accreditation; and
- (b) a Committee formed for the purpose of providing advice to the Board in relation to the Membership of the Company.

In addition, ad hoc Committees or Task Groups may be formed for specific tasks. Each Committee has its own Charter approved by the Board. The Board will appoint a Director to Chair each Committee. Directors are expected to make themselves available to serve on Committees as required. The Chief Executive Officer will attend Committee meetings by invitation.

Directors not appointed as Members of a Committee should consult with and gain the concurrence of the Committee Chair prior to attending any Committee meetings.

The Chair of each Committee will report matters of significance to the next Board meeting for approval or noting. A copy of Committee minutes, or a written summary report, should be submitted to the Board for noting.

The Company Secretary maintains Charters for each of the Committees.

The objective of each Committee is as follows:

6.3 Finance, Investment and Audit Committee

The objective of the Committee is to assist the Board in fulfilling its governance responsibilities in relation to financial and investment management and accounting and financial controls.

6.4 Membership Committee

The primary objective of the Committee is to assist the Board in monitoring the membership of the Company to ensure that it continues to reflect a broad cross section of industry, community and government interests.

6.5 People, Governance and Risk Committee

The objective of the Committee is to assist the Board in fulfilling its governance responsibilities in relation to Standards Australia's employees, governance arrangements and risk management.

6.6 Standards Development and Accreditation Committee

The primary objectives of the Committee are:

- (a) to assist the Board in fulfilling its responsibilities as Australia's peak national standards body and in the development of Australian Standards, which include joint Australian / New Zealand Standards, and related documents, and
- (a) to perform the duties and responsibilities in accordance with the role and powers delegated by the Board in relation to the accreditation of Standards Development Organisations (SDOs) to develop and maintain Australian Standards.

7. Board Meetings

7.1 Board Meetings

The schedule of dates for Board and Committee meetings will be agreed one year ahead. The Board meets approximately 5 times per year.

7.2 Board Agenda

The Company Secretary will prepare the agenda for each Board meeting in conjunction with the Chief Executive Officer and the Chair. Directors have the right and duty to have included on the agenda items of concern to them.

7.3 Board Papers

Where possible papers for Board and Board Committee meetings will be forwarded to or be made available to Directors at least 5 working days prior to the meeting.

7.4 Board Minutes/Action Points

Minutes are recorded for every meeting of the Board and Board Committees. The minutes will be prepared in draft by the Company Secretary, who will consult the Chief Executive Officer, and they will then be provided to the Chair/Committee Chair for approval. The approved draft minutes will be forwarded to all Directors/Committee Members who should advise the Chair or Secretary of any suggested changes. The minutes will be included in the papers of the next Board/Committee Meeting for formal approval. A permanent Minute Book of all signed minutes will be retained.

7.5 Board Resolutions

All Board resolutions must be recorded in the minutes.

Where decisions are required between Board meetings, these may be made by circular resolution approved by Directors in accordance with the Constitution. Circular resolutions should be formally noted at the next Board meeting. A brief summary of Board decisions and resolutions, bearing in mind confidentiality, will be communicated to management as soon as practical after a Board meeting.

8. Board Processes

8.1 Delegations of Authority

The Board approves delegations of authority to Board Committees (by way of Committee Charters) and to the Chief Executive Officer. The delegations are reviewed by the Board at least annually.

8.2 Agreements entered on behalf of the Company

Agreements and contracts entered into by the Company are generally executed either pursuant to Section 127 of the Act, under Power of Attorney or by an authorised officer of the Company pursuant to the Board's delegation of authority.

In practice most documents requiring execution are signed on behalf of the Company by the Chief Executive Officer or a General Manager in accordance with the Board's delegation of authority. Signatories are required to have read or have been appropriately briefed on the contents of the document and must only sign where they:

- Are satisfied that they understand and accept the conditions and consequences of the document.
- Are comfortable that the Board has agreed or would be agreeable for the document to be executed.
- Are confident they are authorised to execute the document.

A copy of all documents executed is retained by General Counsel who also maintains a Documents Execution Register summarising the executions. Details of executions are reported to each Board meeting.

8.3 Board Evaluations

The Board considers the ongoing development and improvement of its own performance as a critical input to effective governance. As a result, the Board undertakes an annual evaluation of Board and director performance. The Board may engage an independent expert to facilitate the process.

8.4 Review of Board Charter

This Charter will be reviewed at least every two years or more frequently by the Board as required.