



## BOARD CHARTER

### 1 Introduction and Purpose

The primary objective of the Board ('the Board') of the Perth Convention Bureau ('PCB') is to build the long term sustainability of the PCB with due regards to members and stakeholders. The specific objective is to market Western Australia nationally and internationally as a premier destination for business events.

The Board addresses long term sustainability of the company by setting its strategic direction and focusing on issues critical to its implementation including performance, funding, marketing, personnel, management of risk and management of brand and reputation.

The Board is responsible for the quality of corporate governance of the PCB. The Managing Director and executives manage the PCB according to the direction set by the Board.

The Board Charter, incorporating the Code of Conduct, is intended to be complimentary to, and read in conjunction with, the Constitution of the Perth Convention Bureau. The Board Charter provides a framework for high standards of governance and clear expectations about roles and responsibilities that will enhance the reputation of the PCB.

Where there is any conflict between the meaning of the Constitution of the Perth Convention Bureau and this Board Charter then the Constitution prevails.

### 2 Board Structure

The PCB is a company limited by guarantee subject to the *Corporations Act* 2001. Its governing document is the 'Constitution of the Perth Convention Bureau'. It is a membership organization of approximately 200 members with significant funding and stakeholder support, from members, sponsors and the State and local governments. Members and significant stakeholders are represented on the Board. The Board structure reflects the membership and stakeholder arrangements.

#### 2.1 Size

The minimum number of Directors is three and the maximum is ten, excluding Consultative Directors. The maximum size, including Consultative Directors, is fifteen Directors.

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### 2.2 Composition

The Constitution requires the Board shall comprise the Managing Director; the Perth City Council representative; the WA Tourism Commission representative; and up to seven Directors elected by members. The Board has the power to invite up to five Consultative Directors to join the Board.

Currently it comprises seven elected members from the membership elected in accordance with the Constitution; five consultative members; two stakeholder members representing the City of Perth and Tourism WA; and the Managing Director.

The Board may invite management and external advisors to Board meetings from time to time.

The Appointments and Remuneration Committee is responsible for identifying and recommending consultative candidates for appointment to the Board. The Committee will seek independent Directors using as its policy guide the characterisations of independence in the ASX Corporate Governance Principles (revised 2007) at Principle 2 'Structure the Board to add value' 'Independent Director' is described by the ASX as 'a non-executive Director who is free of any business or other relationship that could materially interfere with - or could be reasonably be perceived to materially interfere with - the independent exercise of their judgement'. The ASX goes on to list the types of relationships that affects independence and these can be adapted to the Bureau's circumstances.

### 2.3 Director Terms of Appointment

Elected Directors serve a term of two years. Consultative Directors are appointed at the invitation of the Board, considering the recommendations of the Appointments and Remuneration Committee, for a term of two years. Retiring Directors are eligible for reappointment.

### 2.4 Termination of Directorship

The Bureau may by ordinary resolution remove any Director before their term has expired.

Unfinancial members are not entitled to remain as a Director.

### 2.5 Board Committees

The Board may discharge any of its responsibilities through Committees of the Board in accordance with the PCB's Constitution and the Corporations Act (2001).

The terms of reference of each Committee require the Board's approval. The Board may regulate the Committee's activities. Committees may co-opt members of the Bureau.

The three committees of the PCB Board are:

- o Membership and Finance Committee;
- o Marketing and Business Development; and

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- Appointments and Remuneration Committee.

Each Committee will have a chair, determined with the Board. Ideally leadership roles should be undertaken by independent Directors (being Consultative Directors).

Each Committee will devise its annual meeting plan taking into account deadlines of the Board for key recommendations.

The Committee meetings are regulated by this Charter including Code of Conduct and Conflicts of Interest Policy and the Committee Charter determined by the Board.

### 3 Board Accountabilities and Responsibilities

The Board makes decisions about strategy, events, expenditure and other resourcing. The Board considers commercial confidential information provided by members, non-members and stakeholders.

#### 3.1 Responsibilities

The principle responsibilities of the Board include the following:

##### 3.1.1 Strategy and Policy

- Review the PCB's strategic position in its market; devise the strategy and alternate strategies and approve strategy and alternative strategies;
- Monitor the implementation of strategy and reflect on the delivery of strategy; and
- Approve major projects and expenditure.

##### 3.1.2 People

- Optimise the Board's composition, including that of its committees;
- Appoint effective Consultative Directors;
- Effectively induct Directors and manage their performance and succession;
- Select and Appoint the Chairman, Managing Director and Company Secretary and plan for and manage their succession;
- Determine remuneration for the Chairman, Managing Director and Company Secretary; and
- Manage the performance of the Managing Director and Company Secretary.

##### 3.1.3 Budgeting, Planning and Monitoring Performance

- Approve operational plans and budgets;
- Approve annual accounts and the Annual Report;
- Approve major financial arrangements, including member fees, sponsorships and partnerships;

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- Approve the financial and other non-financial key performance indicators as the basis of reporting by the Managing Director and the PCB team; and
- Determine remedial action where KPI targets are not met.

### 3.1.4 Compliance and Risk

- Appoint the external auditor;
- Meet with the external auditor for an in camera briefing without PCB employees (including the MD) present, as required;
- Review the internal control environment; and audit and compliance resources;
- Review significant audit and compliance issues and determine appropriate remedial action;
- Review the major risks for the PCB and maintain a risk register; and
- Approve risk management strategies and monitor their implementation.

### 3.1.5 Delegation of Powers

- In an orderly and lawful process, from year to year, determine, approve and record the delegations to committees and the Managing Director;
- The delegation register will determine the 'delegated authority policy' of the Bureau; matters reserved for the Board and those delegated to management, committees and individuals Directors; and
- The delegation register will clarify responsibility and authority levels for operational expenditure; capital expenditure and asset disposal; business development expenditure; and sub-delegations. It will also determine what policy issues are reserved to the Board; who makes public and media statements; employment and supervision of the Managing Director and Company Secretary and employment of all other employees; and who binds the Bureau to other contracts and leases.

### 3.1.6 Governance and Board Effectiveness

- Approve the annual program of Board and committee meetings and critical deadlines and events;
- Annually review and approve delegation of powers, Board charter and committee charters;
- Decide the role and composition of the committees, ideally appointing independent Directors to leadership roles;
- Ensure compliance with the Charter and Code, particularly in relation to conflicts of interest;
- Approve policies dealing with Directors' liabilities, indemnities and insurance; and

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- Review the performance of the Board and Directors and determine governance improvement and professional development solutions to strengthen the Board.

### 3.2 Board Performance and Evaluation

The performance of the Board and committees will be reviewed annually by the Chairman with support from a sub-committee of Consultative Directors and, if prudent, external advisers.

The evaluation will consider the performance of the Board and its committees. It may consider the performance of each individual Director.

The review can consider whether Directors require further professional development in relation to their governance competencies.

## 4 The Board and Management

The day to day management of the PCB is the responsibility of the Managing Director, assisted by the executive team. The Managing Director manages the PCB in accordance with the strategy, plans, budget framework and delegations approved by the Board.

The Managing Director provides reports to the Chairman, the Board and the committees in a form approved by the Board to monitor organisational performance.

The Board appoints and removes and determines the remuneration of the Managing Director and the Company Secretary. The Managing Director appoints and removes or suspends and determines the remuneration of all other employees.

The Board and individual Directors do not direct employees of the PCB. Directions to the Managing Director are usually coordinated through the Chairman.

The Board has in place appropriate procedures to monitor the performance of the Managing Director.

## 5 The Role of the Chairman

The Chairman is elected by the Board from among the Board.

Only the Chairman is remunerated for their Board role.

The Board may adopt the ASX Corporate Governance Principles of preferring to elect an independent non-executive Chairman from among the Consultative members; alternatively adopting the test that candidates demonstrate they are 'free of any business or other relationship that could materially interfere with - or could be perceived to materially interfere with - the independent exercise of their judgement'.

The Chairman cannot be the Managing Director.

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The Chairman is responsible for:

- Chairing the general meetings of members;
- Chairing the Board;
- Controlling the Board meeting process, including agenda, Board papers and settling the minutes;
- Ensuring effective meetings that promote respectful relations between members and Directors and the management as well as ensure adequate transparency about the performance of the PCB and the Board;
- With the Company Secretary ensuring the quality of compliance with corporate governance, including ensuring the validity of actions of the Board and its Committees in accordance with the Constitution; and
- Ensuring the performance of the Board, Committees and Directors to deal with their purposes and responsibilities in an efficient and ethical manner.
- In conjunction with the Managing Director, reviews the outcomes & effectiveness of each Board meeting including decisions made, quality of papers presented and input of Directors present.

The Board will elect a Vice-Chairman, usually an independent Director if the Chairman is an elected member, who can fulfil the duties of the Chairman in their absence.

## 6 Responsibilities of Individual Directors

Directors shall comply with their legal duties and obligations when discharging their obligations to the PCB Board.

Directors acknowledge that regardless of who elected or appointed them they represent only the interests of the PCB and will undertake their duties impartially, uninfluenced by fear or favour.

Any Director may call a meeting of the Board in accordance with the Constitution.

These duties and obligations include:

- Acting in good faith in the best interests of the PCB;
- Acting with care and diligence and for a proper purpose;
- Avoiding conflicts of interest;
- Refraining from making improper use of information gained through the position of Director and from taking improper advantage of the position of Director.

Within the boardroom and in committee meetings the Directors can express their difference of views and ask that their dissent with decisions be minuted. However outside of these meetings Directors are expected to support the decisions of the Board.

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Directors will keep confidential any Board information, discussions, deliberations and decisions that are not publicly known.

## 7 Code of Conduct

Directors acknowledge they are in a position of trust and hold statutory and other fiduciary duties as Directors.

### 7.1 Conduct

Directors will:

- ensure they understand their duties as Directors;
- act in a lawful, ethical and justifiable manner;
- always act in the interests of the PCB and for a proper purpose;
- not profit from their decisions;
- be well prepared to participate fully in their Board and committee roles;
- analyse all financial statements and management and consultants reports with due care;
- be fully available to the Board and the Committees and respond in a timely manner to requests;
- avoid activities that conflict with their role as Directors of the PCB;
- immediately disclose any information about their conflicts of interest;
- not accept fees, rewards, gratuities, gifts or remuneration of any kind from third parties who seek to influence the Director in their role as a PCB Board member;
- not act in a manner that undermines the decisions of the Board, including undermining a lawful decision of the Board; and
- maintain confidentiality.

### 7.2 Conflicts of Interest

Directors must place the interests of the PCB above other interests. Directors cannot serve two interests simultaneously.

The Constitution of the PCB deals with Directors contracting with the Bureau (clause 9.15).

The Directors are required to comply with the Conflicts of Interest Policy of the PCB (attached).

## 8 Access to Information and Independent Advice

Where the Chairman or Directors perceive a substantial risk to the organization or their duties as Director they may seek advice from independent experts. Approval for reasonable expenditure will be determined by the Membership and Finance Committee.

A Director can make reasonable requests for information relevant to their Director duties, from the Managing Director and Company Secretary, other than information relating to matters where the Director has a conflict of interest.

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### 9 Directors & Officers Indemnity Insurance

The Bureau will maintain a sufficient Directors and Officers indemnity insurance policy. Directors, as required, will make frank, accurate and timely disclosures to the Company Secretary to complete the placement or renewal of the insurance.

Directors will alert the Company Secretary and Chairman to matters that are of risk or events that may trigger a notification to the insurer. They will retain and provide to the Company Secretary information and documentation that is material to an insurance notification or claim.

### 10 Procedures

The Board shall operate as determined by the *Corporations Act 2001* and the Constitution of the PCB and apply the usual rules of meeting procedure. The procedural provisions of the Constitution deal with:

- Quorum
- Meetings of the Board
- Voting at Board Meetings
- Resolution without meeting
- Alternates
- Minutes
- Committee procedures

Significant provisions include that the Board must meet at least once every two months. The quorum for Board meetings is five Directors. Resolutions require a majority of votes; and if there is equality of votes (except in the election of the Chairman) the Chairman has a second casting vote.

A Secretary will take minutes of all meetings of the Board and its Committees and retain the Minutes in the official minutes book. The Secretary will maintain a record of all reports and documents and minutes of every meeting. Confidential minutes and a conflicts register will be separately maintained.

Within three working days of the meeting the Secretary will provide draft minutes to the Chairman of the Board and each Committee. The Chairman will settle the minutes within three working days and they will be distributed to all members of the Board or Committee within the next two working days.

The Company Secretary will keep the Board and Committees apprised of the prevailing procedures.

## CONFLICTS OF INTEREST POLICY

1. **Policy application** - This policy applies to all people who attend Board and Committee meetings of the Perth Convention Bureau.
2. **Directors** - At the commencement of a Director's appointment, annually and at the commencement of each Committee and Board meetings the Chair will ask whether Directors have an interest to declare concerning any matters dealt with by the Board.
3. **Other persons** - At appointment and before any meeting anyone else who participates in Board or Committee meetings including officers, employees, advisers and observers will be asked to declare any interest.
4. **When to declare** - Although most conflicts are apparent ahead of time there is occasion where a Director or other persons in a meeting might only perceive the conflict during Board or Committee discussion. They must stop the meeting to declare the interest.
5. The Board has adopted the following **statement on conflict of interest**:

'Directors and Officers of the Perth Convention Bureau Board have a duty to place the interests of the organisation before their own personal interest (financial or otherwise) and the interest of any other person or organisation, including the group that appointed the Director. The Director or other persons will declare their interest as soon as it is known.

Possible conflicts of interest occur where a Director, or other person who attend meetings, has a relationship as an employee, partner, owner, adviser, significant shareholder or Director or officer of another entity (e.g. company, stakeholder, funder and sponsor) or family member or close friend that relates to an agenda item of the Board or Committee.

Conflicts are likely to occur when considering:

- *Funding, contracts, resources or strategy and marketing decisions that benefit directly the Director or other person or benefit their other interests*
- *Commercially sensitive information, including about competitors*
- *Information that may be used to advise clients, or in litigation*
- *Information that may be relevant to a dispute between the Director or other person and the PCB*
- *Employment in the PCB and staff remuneration*

As soon as the possibility of conflict arises, Directors and other persons must declare the nature, character and extent of any conflict of interest. In case of doubt, it is best to acknowledge the possible conflict of interest.

The Board will decide whether there is a conflict. The Director will be absent during this debate. If the majority of Consultative Directors present take the view that the conflict declared is in fact a conflict, then the presumption is that the person is absent for the entirety of the debate on that agenda item and does not vote, except where the Board applies Clause 9.15 of the Constitution 'Director may contract with Bureau'.

## CONFLICTS OF INTEREST POLICY

Where there is a significant conflict of interest, future papers and minutes on this matter might not be made available to the conflicted or other person or other related persons. All Board members and all other persons must ensure papers and information are not circulated to conflicted Director/person(s), either formally or informally.

All declarations of interest shall be minuted, along with any ensuing action. A conflicts register will be maintained by the Company Secretary. The Company Secretary will retain confidential minutes and Board papers in a manner to support the decision of the Board to protect information from conflicted persons.'