

# Board charter

## Introduction

The intent of this charter is to clarify how the Board operates. Specifically, it sets out:

- the role, responsibilities and powers of the Board of directors of Therapeutic Guidelines Limited;
- the composition, structure and operations of the Board; and
- the Board's performance and evaluation standards.

The conduct of the Board is also governed by the constitution of the company, a copy of which is located at [www.tg.org.au](http://www.tg.org.au).

## Purpose and role of the Board

### Responsibilities

The Board is responsible for:

- input into and approval of the company's corporate strategy and performance objectives;
- the appointment of the Chief Executive Officer and the terms of his or her appointment;
- monitoring the performance of the company, monitoring the performance of the Chief Executive Officer and monitoring the management of the company;
- reviewing and ratifying systems of risk management and internal compliance and control;
- approving capital expenditure, investment decisions and decisions relating to acquisitions;
- succession planning for the position of Chief Executive Officer and for the Board;
- communicating with members as required by the Corporations Act and the company's constitution and with stakeholders to promote the company and enhance its reputation;
- ensuring the company meets all regulatory requirements.

### Role

In performing the responsibilities set out above, the Board should act at all times:

- to deliver the company's objectives as outlined in its constitution in accordance with the highest professional and ethical standards; and
- in accordance with the duties and obligations imposed on it by the law and the company's constitution.

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## **Powers of the Board**

In addition to matters expressly required by law to be approved by the Board, powers specifically reserved for the Board are as follows:

- appointment of the Chief Executive Officer, determination of the terms of engagement and remuneration, and monitoring of performance;
- approval of transactions, expenditure or other matters in excess of discretions delegated to management from time to time;
- approval of the company's strategic business plan and budget;
- reviewing and ratifying systems of risk management and internal compliance and control;
- monitoring and assessing management's performance in achieving any strategies and budgets approved by the Board;
- approving and monitoring financial and other reporting.

## **Management and the company**

The Board delegates authority and responsibility for the conduct of the company's business to the Chief Executive Officer who is directly accountable to the Board through established policies and authority levels.

## **Board composition, structure and operations**

### **Composition**

The Board comprises (subject to their consent) the following persons:

- one (1) person which the Board may, but is not obliged to appoint from up to two (2) nominees proposed in writing by Health Education Australia Limited (HEAL);
- one (1) person which the Board may, but is not obliged to appoint from up to two (2) nominees proposed in writing by Royal Australian College of General Practitioners; and
- seven (7) persons elected at a meeting of members.

### **Board committees**

Committees may be established by the Board to take responsibility for discrete areas. The Board has established a Finance and Risk Management Committee and a Nominations Committee.

### **Meetings of directors**

The Board meets at least four (4) times per year to consider the business of the company, including operational and other issues and its financial position. Additional and specific Board meetings may be held as the Board may determine.

Board meetings are held at the company's head office in Melbourne.

Personal attendance is expected.

### **Quorum and voting**

The company's constitution provides that five (5) directors, either present at the meeting in person or by such means of communication as is authorised by rule 13.13 of the constitution, constitutes a quorum for the purposes of holding a meeting of the Board at which business may be legally transacted.

If a Director participates in a meeting held in accordance with rule 13.13 and is treated as being present and entitled to vote at the meeting, the minutes must record that a meeting was held in accordance with this rule.

Each director has one (1) vote and questions and resolutions arising are decided by a majority of votes of directors.

### **Role of Chair**

The Chair's duties include:

- ensuring the Board performs its roles and functions;
- managing the relationship between the Chief Executive Officer and the Board;
- managing the business of the Board and presiding over its meetings, encouraging directors to contribute to Board discussions, resolving differences between directors and seeing that decisions are reached promptly;
- ensuring that all relevant issues are on the agenda and that all directors receive timely, relevant information to enable them to be effective Board members;
- recommending to the Board for consideration the membership and functions of any committees of the Board;
- advising the Board, after appropriate consultation with all directors, on candidates for appointment as Chief Executive Officer and as directors of the company; also the removal of the Chief Executive Officer and other directors from office;
- promoting the interests of the company as a whole in relations with the company's members, governments, professional associations and all other stakeholders and the public generally.

### **Induction and training**

On appointment a new director will undertake an induction program as agreed with the Chair and the Chief Executive Officer to enable him or her to be fully acquainted with the company's operational and financial issues and objectives.

From time to time the Board will facilitate training for directors on such matters as the Chair and the Board consider appropriate.

### **Access to external advice**

Directors have access to the advice of external experts when required at the cost of the company. Requests for such advice are made by directors at Board meetings or directly to the Chair and any advice obtained is made available to the whole Board.

### **Conflicts of interest**

Directors

The Board has in place and observes conflict of interest guidelines which apply if there is, or may be, a conflict between the personal or other interests of a director and the company.

Directors are required to provide to the Chair of the Board, a written interest statement, on an annual basis. In addition, if a Director believes that there is an identified or potential conflict of interest with regard to an agenda item for a Board meeting, a statement must be provided prior to the commencement of that meeting. If, in the opinion of the Chair, a conflict imperils the independence of the decision-making process, the Chair may request that person to absent him/herself from the meeting. If, in the opinion of any Director, a conflict imperils the independence of the Chair, that Director may request the Chair to absent him/herself from the meeting.

## Members of expert groups

The Board requires that members of expert groups provide written interest statements which are tabled at the initial meeting of the group. In addition, if a member believes there is an identified or potential conflict of interest with regard to an agenda item for a subsequent meeting, this must be declared to the expert group. A review process has been developed to ensure that no expert group member participates in any matter where there is a conflict of interest or where there is a perception that a conflict of interest could arise.

## Indemnity and insurance

To the extent permitted by law, the Board indemnifies directors and others set out in rule 20 of the company's constitution on the terms as provided for in that rule. It also pays the premium on directors and officers liability insurance policies insuring those persons to the extent permitted by law.

## Board performance and review

### Board performance evaluation

The Board will perform an annual evaluation of its performance and effectiveness against agreed criteria. The Board will also review its meeting processes at the conclusion of each Board meeting to ensure it is continually improving its effectiveness.

### Review of charter and publication

The Board will review this charter annually and will publish it on its website.

## Document information

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Filed: Z:\therapeutic guidelines limited\governance\board policies  
Date approved: 14 February 2018