



CAPITAL
FOOTBALL

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Board Charter

As adopted on 30 October 2014

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1. Introduction

This charter sets out the major principles used by the Board to manage its affairs and enable it to discharge its responsibilities in governing Football across Canberra and surrounding region.

In carrying out its responsibilities and powers as set out in this charter, the Board will, at all times recognise its overriding responsibilities to discharge its duties in good faith, with care and act honestly in the best interests of Capital Football.

The Board considers governance to be the system or process by which the Board, exercising accountability to stakeholders, is directed and controlled to achieve sustainable improvement in Capital Football's prosperity commensurate with the risks involved.

2. Responsibilities and functions

The Board's key responsibilities are:

- to act in the interests of Capital Football as a whole;
- observe their duties as Directors in terms of the *Corporations Act 2001 (Cth) (the Act)*, common law, Capital Football's constitution and any other relevant legislation; and
- provide strategic direction for Capital Football and effective oversight of the Chief Executive Officer (CEO) and Departments (Management).

The key functions of the Board include:

- the nomination and appointment (including appropriate succession planning) of:
 - (i) Directors to casual vacancies (following consultation with members),
 - (ii) Members (being the four North Region Representatives, four South Region Representatives, and the Chair of each of the four Standing Advisory Committees, Premier Leagues, Community Leagues, Referees and Juniors);
 - (iii) Membership of Standing Advisory Committees;
- defining the role of the Standing Advisory Committees and Regional Representatives;
- ensuring a diverse and effective Board, in line with Capital Football's constitution with appropriate policies and procedures for the Board and its committees;
- appointing, supporting and providing advice and counsel to, evaluating and rewarding the Chief Executive Officer (CEO), taking an active role in overseeing the growth of the Management leadership talent pool and approving the Management succession plans;

- through constructive engagement with senior management and key stakeholders, review, add-value to, approve and monitor Capital Football's purpose, core values, ethical framework, strategic direction and objectives;
- supporting, reviewing and monitoring the operational and financial performance of Capital Football;
- monitoring key financial and non-financial risk areas by ensuring the implementation of an effective risk management and internal control framework;
- considering and agreeing on Committee and management recommendations on key issues including organisational structuring and resourcing, financial management, and significant contracts.;
- the power to make, add to, alter or rescind any Capital Football rules, regulations and by-laws as it sees fit;
- managing Directors' interests, conflicts of same and related-party transactions
- delegation of powers and authorities, while understanding the Board remains responsible for all decision of Capital Football;
- oversight of compliance with appropriate laws and regulations and major litigation;
- evaluating Board processes and performance of the Board as a whole, as well as contributions by individual Directors, ensuring the Board's effectiveness in delivering good governance, including performance and conformance matters;
- corporate governance matters, including frequency and agendas of Board and Committee meetings, and the appointment of the Company Secretary;
- matters pertaining to Members including meetings, communications and strong working relationships; and
- ensuring that there is a strong working relationship with the Football Federation of Australia including regular communication on major issues confronting Capital Football.

3. Composition of the Board

The composition of the Board is determined in accordance with the Constitution using the following principles:

- the Board is comprised of six elected Directors and up to two nominated Directors;
- the two nominated Directors may be appointed by the Board based on identified skills and experience;
- the appointment of Directors or the filling of any casual vacancy is to be preceded by consultation with the Members;
- the Chair of directors (Chair) is elected by the Directors;
- the CEO will not be one of the Directors; and
- the Directors shall be independent as defined within the constitution and clause 6 below.

4. Director Induction and Education

4.1 Induction

The Board undertakes an induction process which involves the following activities:

- an individual meeting with the Chair and CEO to discuss expectations, duties and responsibilities;
- attendance at briefing sessions which includes presentations on the business by the Business Operations team members; and
- provision of a comprehensive package of materials in relation to Capital Football and Board, including the constitution, this Board Charter, any applicable Code/s of Conduct, Conflict of Interest Policy, Risk Management Policy, the Strategic Plan, and any other relevant documents.

4.2 Education

The Board collectively, and as individual Directors, shall undertake on-going education and training to enhance their performance.

5. Criteria for assessing Directors' independence

The Board shall regularly assess the independence of each Director in light of the interests disclosed by them.

Each Director must provide the Board with relevant information to assess his or her independence.

In assessing independence, the following matters will be considered:

- That the Director is a non-executive Director (i.e. is not a member of Management);
- That the Director is not the holder of a 'disqualifying position' as defined at clause 21.1 of Capital Football's constitution;
- The extent to which the Director has been involved in any business relationship which could, or could reasonably be perceived to, interfere materially with the Director's ability to act in the best interests of Capital Football.

6. Tenure

The constitution sets out that each elected Director shall serve a term of three years, at which time they may elect to nominate for re-election.

No Director may serve more than three successive terms.

Appointed Directors shall serve a term of one year, at which time they may elect to nominate for an elected Director role, or be re-appointed by the Board.

7. Chair's Responsibilities

The Chair of the Board has a major role as the head of Capital Football's Directors in providing leadership and other functions including:

- leading and facilitating the Board;
- setting the Board direction and focus;
- conducting an effective decision-making process and ensuring that the Board is focussed on achieving outcomes;
- ensuring that no one has excessive influence;
- maintaining a professional working relationship with the CEO;
- acting as a spokesperson, where appropriate, in conjunction with the CEO;
- promoting constructive and respectful relations between Directors;
- ensuring that each Director appropriately contributes to the Board's decision-making process;
- ensuring the availability of the required Director skills and expertise on the Board;
- ensuring the Board and individual Directors have a performance evaluation process;
- ensuring that the Board's workload is dealt with effectively;
- setting the agenda for each Board meeting, in conjunction with the CEO, and modelling it against the Strategic Plan to ensure appropriate structure and monitoring;
- maintaining ethical standards and behaviour based on Capital Football's agreed values;
- communicating and consulting with the Football Federation of Australia and other relevant stakeholders on significant issues, as appropriate; and
- ensuring meetings are effectively conducted and minutes are circulated and acknowledged in a timely manner.

8. Board Committees

The Board may establish from time-to-time appropriate Committees to assist the Board by focussing on specific responsibilities in greater detail than is possible for the Board as a whole, reporting to the Board and making any necessary recommendations.

Each formally constituted Committee, including ad-hoc Committees is to have a written charter, approved by the Board.

The role and responsibilities, charter and performance of each committee are reviewed annually by the Board.

The present Board Committee is:

- The Finance and Risk Management Committee.

The existence of Committees should not be seen as implying a fragmentation or diminution of the responsibilities of the Board as a whole.

9. Conflicts of Interest

The common law fiduciary duty of Directors, as directors, to act honestly and in the best interests of Capital Football overlaps with statutory duties of the Act including not to misuse position or information to gain unfair advantage, to act honestly and to disclose conflicts of interest.

To manage conflict of interests in accordance with the requirements of the Act, the Board requires the following guidelines to be adhered to by Directors:

- declare existing or potential material conflicts when appointed and on an ongoing basis as the need arises to enable the CEO to maintain a register of Director's interests and potential related party conflicts.
- provide an annual declaration for the purpose of updating the register of interests and related party transactions;
- when a conflict of interest arises, leave the Board meeting and not vote on any resolution that relates to the conflicted issue, unless the Directors who do not have a material interest in the matter have passed a resolution that identifies the Director, the nature and extent of the Director's interest in the matter and his or her relationship to the affairs of Capital Football and states that the interest should not disqualify the Director from voting on the issue;
- if a Director has provided notice on a material conflict the CEO will ensure that the Director does not receive Board papers or other information related to the conflict; and/or
- no financial benefit can be given to a related party of a Director (including spouse, a de facto spouse, parents, children and certain related corporate entities) unless approved by the Board.

A Director seeking clarification in relation to these guidelines can consult with the Chair as the Act provides some exceptions to the general rules espoused in the guidelines. The CEO shall ensure a standing agenda item for each Board meeting to enable any interests to be declared and recorded in the Board minutes.

10. Indemnities and Insurance

10.1 Indemnity

Capital Football provides an indemnity to the Directors to the extent they are indemnified under the Act. Specifically:

- each Director or retired Director is indemnified against liability the Director may incur to another person (other than Capital Football or a related body corporate);
- the indemnity includes costs and expenses incurred in legal proceedings;
- in accordance with the law a Director is not indemnified for any liability arising out of negligence or lack of good faith;
- if the Director or retired Director has incurred a liability to which the indemnity applies then the Director need not incur any expenses before enforcing the right to the indemnity;
- where the indemnity covers a claim against a Director, Capital Football is entitled to assume the conduct, negotiation or defence of the claim and the Director must co-operate with Capital Football in relation to the claim; and
- in certain limited circumstances a Director may engage separate legal advisors.

10.2 Insurance

Included in the annual agenda structure is the review of Capital Football's insurance arrangements (including Directors & Officers Insurance). Written details of all insurance arrangements / policies are to be provided to the Board as part of an overall risk management strategy. In relation to Directors and Officers insurance arrangements each Director is required to truthfully answer all questions in any insurer's proposal document and to disclose any information to the insurer which would be relevant to the insurer's assessment of the risk.

Capital Football has agreed to pay the Directors & Officers Insurance premiums and not to do anything which may prejudice this policy.

11. Indemnities and Insurance

A Director has both a common law and a statutory right to inspect the documents of Capital Football. The Act provides that a Director is entitled to access to financial records at all reasonable times. This right applies to all Directors regardless of whether they have specific financial responsibilities, but a Director cannot extend the right to 3rd parties. Access to documents can be made through the Company Secretary at no cost to the Director.

For the purpose of certain legal proceedings a person who has ceased to be a Director has a right to access all books of Capital Football (including its financial records) at all reasonable times. This right extends for a period of 7 years after a person has ceased to be a Director.

12. Company Secretary

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

All Directors have direct access to the Company Secretary.

The appointment and removal of the Company Secretary is a matter for decision by the Board as a whole.

13. Access to Professional Advice

Directors and Board Committees have the right in connection with their duties and responsibilities to seek independent professional advice at Capital Football's expense, subject to:

- prior approval of the Chair or the Board which is not unreasonably withheld; and
- information so obtained is shared with all Directors or Committee Members as appropriate.

14. Role of Chief Executive Officer

The CEO is responsible for the overall day-to-day management and the performance of Capital Football. The CEO manages Capital Football in accordance with strategy, delegations, business plans and policies approved by the Board to achieve agreed goals and objectives included therein.

15. Strategic Direction and Oversight

The Board reviews Capital Football's long-term strategic plans and the major issues that it and Management expects Capital Football to face in the future.

The Board sets the broad parameters for the CEO's preparation of Capital Football's Strategic Plan.

The Board only approves the Strategic Plan after conducting a rigorous review, including considered Board input on major strategic initiatives (including the options considered and sensitivities, on what basis, and why they were rejected).

The review includes a thorough understanding of what is required to successfully execute the Strategic Plan.

The Board approves a performance management system that has key performance measures (budget and financial/non-financial KPI's) aligned with the Strategic Plan and ensures that the remuneration of Management (including the CEO) is aligned with the achievement of strategic outcomes.

16. Board Meeting Annual Agenda

The annual agenda should be aligned with the strategy cycle of Capital Football and bring many governance aspects of this charter to life.

The annual agenda dictates how many times the Board should meet each year to discharge its duties and responsibilities.

17. Board Meetings

Directors have adopted the following procedures:

- there are a minimum of nine Board meetings per year, including three meetings dedicated mostly to strategy development and review;
- proper and timely notice of meetings is provided with an outline of proposed business;
- agenda papers which include executive summaries and resolutions are provided five clear days in advance to allow time for review;
- an action list is presented to ensure all outstanding items are dealt with, including monitoring progress of past decisions;
- matters for decision and discussion are addressed at the beginning of meetings;
- the Board meets periodically without the CEO present to discuss sensitive issues;
- a general business item is on the agenda so that Directors may add items for discussion or information;
- minutes are clear, accurate and have the appropriate detail;
- draft minutes will be distributed to the Directors for comment as soon as practicable after the meeting; and
- a summary of Board meetings is to be provided to Members as soon as practicable after each meeting of the Board.

18. Board Meeting Attendance

It is unusual for Management, other than the CEO and Business Manager, to attend Board meetings.

Other parties external to the Board are invited to attend Board meetings by the Chair, as appropriate.

19. Quorum

In all circumstances, at least four Directors must be present to constitute a quorum.

The constitution contains detailed information in regards to the process where a quorum is not met.

20. Access to Management

The Board and individual Directors have the power to meet or make inquiry with Management, with or without the CEO, outside of scheduled Board or Committee meetings.

Directors have complete access to the Business Operations team in relation to issues for which they are accountable.

Directors will use their judgment so that contact is not distracting or disruptive to the business operation of Capital Football and will therefore initially raise any material issues or concerns with the CEO.

21. Code of Conduct

Capital Football takes ethical and responsible decision-making very seriously. It expects its staff, managers and Directors to do the same.

Based on Capital Football's core values, the code is designed to encourage ethical and appropriate behaviour in all Organisation activities and dealings with stakeholders. The code also addresses matters relevant to Capital Football's compliance with its legal obligations to all stakeholders.

The Board has an appropriate system for enforcing compliance with the code.

22. Corporate Social Responsibility

Capital Football is committed to the long-term sustainability of its operation and aims to optimise, or minimise (whatever the case may be), the social, environmental and economic impact of its significant business proposals and ongoing operations for the benefit of all stakeholders.

The Board ensures that Capital Football's Corporate Social Responsibility performance is consistent with its business strategies and brand/reputation.

23. Political donations

Capital Football does not make political donations.

24. Risk Management

Risks are threats and opportunities that may impact the assets and revenue, values or services provided by Capital Football. It is the Board's role to establish a sound system of risk oversight and management and internal control.

The Board has implemented a risk management approach by establishing the Finance and Risk Management Committee. Risks are managed based on the following core elements:

- the identification of key business risks;
- the measurement of each identified risk in terms of potential impact and likelihood of occurrence;
- an assessment of the external environment and the control mechanisms in place to manage the risk;
- the development of action plans to manage the risk; and
- constant monitoring of the program and reviewing continued economic justification and/or process improvement opportunities.

To support this formalised process for identifying, prioritising, assessing and managing the key business risks, the Business Operations team members deal with specific risk areas across Capital Football. This strategy is incorporated in the strategic plan and integrated into business plans, external audit plans and the training program.

The Board regularly reviews the key risks identified by Management through the Finance and Risk Management Committee. Risk and compliance information is reported to the Finance and Risk Management Committee.

The Board ensures that Capital Football, at all levels, prescribes to a desired culture and exhibits accepted behaviours that are consistent with the agreed risk appetite.

25. Compliance system

The Board oversees the performance of an effective compliance system which requires, at a minimum, that:

- Capital Football complies with all relevant statutes, regulations and other requirements places on it by external bodies;
- effective internal controls exist and there is full and accurate reporting to the Board in all areas of compliance; and
- Capital Football is financially secure and is able to meet all its financial obligations when they fall due, in the normal process of business.

26. Policy and Procedures

The Board is responsible for:

- approving and monitoring compliance with all significant policies and procedures by which Capital Football is operated; and
- approving policies and procedures designed to ensure Capital Football operates at all times within applicable laws and regulations and in accordance with Capital Football's values and ethical standards.

27. Board's Role in Crisis Management

The Board has a key role in all stages of a crisis situation. This is prior to the crisis, during the crisis or business disruption and in the recovery phase.

Prior to any crisis and as part of normal business operations, the Board ensures that there is in place a comprehensive crisis / business continuity management plan that has been tested and employees have been trained in its execution.

During and after any crisis, the Board will fully support management in its continuity and recovery effort. The Manager responsible for Marketing and Communications will advise on urgent media and communications issues.

The chief spokesperson during any crisis will be the CEO supported by specified members of senior Management, the Business Manager, the Technical Director, or the Chair as needed.

28. Integrity of financial reporting

The Board ensures that a process of review and authorisation designed to ensure the truthful and factual presentation of Capital Football's financial position and performance is in place.

The process is overseen by the Finance and Risk Management (FARM) Committee, which reports to the Board. The role of the FARM Committee does not diminish the ultimate responsibility of the Board to ensure the integrity of Capital Football's financial reporting.

29. CEO and Business Manager assurance

The Board requires that the CEO and where applicable, the Business Manager, state in writing to the Board that the financial reports present a true and fair view, in all material aspects, of Capital Football's financial position and operational results and are in accordance with relevant accounting standards.

This statement is complemented by a statement that indicates that financial reports are founded on a sound system of risk management and internal compliance and control which implements the policies adopted by the Board, and that this system of risk management is operating efficiently and effectively in all material respects.

30. Annual Report to Members and other stakeholders

The Board provides the Members and other stakeholders with a comprehensive annual report outlining how they fulfilled their governance role, the achievements of Capital Football, the aspirations of Capital Football and sufficient financial information so that members can make a judgment as to how effectively the Board is fulfilling its role.

31. Annual General Meeting

Capital Football encourages effective communication with Members and their effective participation at general meetings, region meetings and meetings of Standing Advisory Committees and has strategies in place to affect this.

All Directors are expected to attend Annual General Meetings.

32. Board, Chair and Directors Effectiveness Performance Assessment

The Board reviews its own performance and that of the Board Committees annually.

The performance of the Chair shall be reviewed annually.

The performance of at least two Directors shall be reviewed each year on a rotational basis so that each Director has his or her performance evaluated each term. No Director shall be required to undergo a performance evaluation in the first 12 months of their election or appointment.

These processes ensure that the Board and Board Committees are working efficiently and effectively in discharging their responsibilities (against measurable and qualitative indicators).

33. Review of CEO Performance

The Board sets the performance criteria for the CEO, which is reviewed annually by the Board.

34. Directors' Remuneration

As a 'not for profit' company limited by guarantee no remuneration is paid to Directors.

Directors may, as approved by the Board, be reimbursed for out-of-pocket expenses incurred by them in carrying out their duties as Directors.

35. Charter Review

The Board reviews this governance charter annually, and makes changes as necessary.

The Chair is responsible for monitoring and maintenance of this charter.

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