

Board Charter

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Introduction

The Charter for the Board of the CRC for Water Sensitive Cities Ltd sets out the objectives, functions and duties of the Board in the discharge of its responsibilities for the performance and strategic direction of the company.

The charter should be read in conjunction with the Commonwealth Agreement, the Essential Participants and Other Participant Agreements and the Company’s Constitution. If a dispute in content or meaning arises, clause 3 of the Essential Participants Agreement should be consulted. All documents are available on the Board’s intranet.

Vision

Sustainable, resilient and liveable water sensitive cities

Mission

Research, Synthesise & Influence

- *research* and develop cutting-edge science, technology, design and social-institutional innovations for fostering sustainable and resilient urban water management

- *synthesise* knowledge across disciplines to formulate socio-technical water sensitive solutions and systems that respond to context
- *influence* and empower multi-sectoral stakeholders in transforming cities and towns into water sensitive cities

Values

In carrying out its responsibilities and exercising its powers, the Board recognises its overriding responsibility to act honestly, ethically and diligently and within the law to serve the interests of the CRC Company, the CRC's Participants as well as its employees, staff seconded to the CRC, researchers and stakeholders.

The Board will foster a consultative and inclusive approach, remaining committed, positive, and focused on the efficient and effective delivery of outputs.

It will promote and maintain an environment within the company that establishes these principles as basic guidelines for all of its employees, staff seconded to the CRC, researchers and representatives.

Purpose and Role

The Board is accountable to the Members of the CRC for Water Sensitive Cities Ltd (the Company), the Participants of the CRC and the Australian Government for its business operations. It is required to do all things necessary to carry out the objects¹ of the Company and the CRC and has final responsibility for the success of the CRC. Senior management is responsible for managing the Company in accordance with the delegations and directions of the Board.

The Board has responsibility for, but is not limited to, the following specific activities:

- charting the direction and strategies of the company and ensuring appropriate resources are available
- monitoring the implementation of those policies and strategies and the achievement of the objectives of the company
- monitoring compliance with control and accountability systems, regulatory requirements and ethical standards
- ensuring the preparation of accurate financial reports and statements
- reporting to members and CRC participants and the Commonwealth on the performance and state of the company, and
- reviewing on a regular and continuing basis:
 - executive succession planning (in particular for the chief executive officer)
 - executive development activities, and
 - board processes and the effectiveness of itself and its committees.

In performing the responsibilities set out above the board:

- acts in a manner designed to create and build sustainable value for members, CRC participants and stakeholders, and

¹ CRC for Water Sensitive Cities Ltd Constitution Clause 4

- acts in accordance with the duties and obligations imposed upon them by the company's constitution, the Participants Agreement, Commonwealth Agreement and by law.

Matters Reserved for 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:

- changes to board
 - structure, size and composition
 - succession planning for board and CEO
 - establishment, membership and terms of reference of board committees
 - appointment and removal of Company Secretary
- board performance review
- appointing and removing the Chief Executive Officer and determining his or her terms and conditions of employment (including remuneration)
- reviewing and ratifying each of the following:
 - systems of risk management and internal control and compliance, codes of conduct and legal compliance
 - quarterly and annual financial and other reporting
 - overall levels of insurance including the D&O insurance
 - appointment, re-appointment and removal of the Auditor
- delegation of powers including financial management authorities and levels as described in the Delegations Policy
- any matters in excess of discretions that it may have delegated to the CEO and senior management (for instance, in relation to fraud, stakeholder complaints).
- approving each of the following:
 - the strategic plan, at least annually
 - the budget, at least annually
 - significant changes to organisational structure and the creation and dismissal of such senior executive positions as the board may determine
 - the acquisition, establishment, disposal or cessation of any significant business of the company
 - contracts for non-budgeted capital items or expenditure as per the Delegations Policy
 - any public statements which reflect significant issues of the company policy or strategy
 - any changes to the discretions delegated by the board
 - company policies as recommended by the Audit & Risk Committee.

In exercising its powers, the Board will reach decisions by consensus, recognising that they may not be unanimous.

Board Committees

The Board from time to time may establish committees to assist it in carrying out its responsibilities, and will adopt charters setting out matters relevant to the composition, responsibilities and administration of such committees and other matters that the board may consider appropriate.

The Board has established the following committees:

- Audit and Risk Committee
- Nominations Committee
- Performance Review Committee
- Commercialisation Committee.

Role of the Chair

The first Chairperson will be an independent director appointed by the Essential Participants for a term of five (5) years, subject to performance review in the first year and confirmation of appointment by a majority resolution of the Essential Participants. The initial Chairperson will be eligible for a further four-year term. The appointment of a subsequent Chairperson is by election by the Essential Participants. He/she will:

- preside over meetings of the board and general meetings of the Company.
- be responsible for leading and managing the board in the discharge of its duties.

Role of the Deputy Chair

A Deputy Chair will be elected from and by the Board to act as chairperson in the Chairperson's absence.

The Deputy Chair will carry out the designated work and duties of the Chair in the Chair's absence or by the Chair's delegation.

Role of the Chief Executive Officer

The CEO is accountable to the Board for the achievement of the Company objectives and milestones and is expected to act within all specific authorities approved by the Board. The CEO's activities, guided by the CEO's position description, board-approved delegations and board resolutions, are to:

- provide leadership to achieve CRC outcomes
- be accountable for planning, coordinating and directing the operations of the company to achieve strategic, financial and operating objectives as agreed with the board and accountable for the CRC research program and adoption and commercialisation outcomes
- formulate and recommend business and financial strategies and plans to develop the company's business and to implement these plans to achieve agreed performance targets
- establish and maintain collaborative linkages with key stakeholders to achieve the objectives of the CRC and promote the interests of the company, and
- faithfully and diligently perform the duties and exercise the powers:
 - consistent with the position of a CEO of the company, and
 - assigned by the board.

In fulfilling his or her duties, the CEO:

- reports directly to the Chairman and the Board as a whole,
- provides prompt and full information to the Board regarding the conduct of the business of the company, and
- complies with reasonable directions given by the board.

Role of the Company Secretary

The Company Secretary supports the effectiveness of the Board by

- Co-ordinating the information flow to the Board
- Ensuring compliance with all legal, regulatory and governance requirements
- Ensuring Board administration is effective
- Managing and maintaining the Company's registers and records.

The Company Secretary is responsible to the board, through the Chairman, on all governance matters.

Code of Conduct

Directors are required to observe high standards of conduct, treating each other with professionalism, courtesy and respect, and striving to work cooperatively with their fellow directors towards agreed goals while accepting differences of opinion and exercising independence in judgement.

In particular, Directors are required to:

- Act honestly, in good faith and in the best interests of the Company as a whole
- Use care and diligence in fulfilling the functions of office and exercising the powers attached to that office
- Keep appropriate information confidential
- Not trade while insolvent
- Use the powers of office for a proper purpose, in the best interests of the Company as a whole
- Recognise that the primary responsibility is to the Company but have regard for the interests of all participants in the CRC
- Not make improper use of information acquired as a Director
- Not take improper advantage of the position of Director
- Declare and properly manage any conflict of interest with the activities of the Company
- Be independent in judgement and actions and take all reasonable steps to be satisfied as to the soundness of all decisions taken by the Board of Directors
- Not engage in conduct likely to bring discredit upon the company
- Comply at all times with the spirit, as well as the letter, of the law and with the principles of this Code, and
- Support the word and spirit of Board decisions outside the Boardroom.

Conflict of Interest

Directors must ensure that no real or perceived conflicts of interest exist relative to decisions they make.

The Company Secretary shall maintain a Register of Directors' Disclosed Interests which shall be reaffirmed and updated at the commencement of each board meeting.

In general, Directors have an obligation to disclose any potential conflicts of interest to the Chair and other Directors in respect of items of business to be considered at the Board meeting. The Chair shall then rule on how those matters are to be dealt with during the meeting. If a Director becomes aware of a potential conflict of interest during the course of a Board meeting then that person should immediately advise the Chair and seek a ruling on that matter.

Other Matters

Public comments

Statements to the public shall be made by the Chair or the CEO, unless otherwise delegated to another Director or management.

Directors Liability Insurance

The Company shall take out an appropriate level of Directors and Officers Liability Insurance to provide protection for Directors from financial costs associated with the risks which may arise from the role of Director.

Directors' Appointment

Letters of appointment for each new director set out the key terms and conditions relative to the engagement.

Induction

The Company shall provide an induction program for new Directors to assist them in fulfilling their duties and responsibilities.

Professional Development and Advice

Directors should maintain sufficient corporate governance skills and experience to enable them to perform their responsibilities.

Directors are entitled to obtain independent professional advice relating to the affairs of the Company or other responsibilities as a Director after first discussing with the Chair, who will not unreasonably withhold approval.

Access to Records

Directors seeking access to records other than Board proceedings must gain approval from the Chair. Access will not be unreasonably denied but decisions about such applications must consider privacy, confidentiality, conflict of interest and the rightful role of management.

Review of Board Charter

The Board shall review and assess the adequacy of the Board Charter every three years and make any necessary revisions.

Commercialisation

The Company intends that the research is translated into practical outcomes for end users. This could include commercialisation of specific outcomes of research. Directors should be aware of, and not take any action inconsistent with, the IP provisions of the Essential Participants Agreement.

Related Documents

Delegations Policy V2 approved by Board May14

Fraud Policy V1 approved by Board Dec14

Communications Policy V1 approved by Board May14

Document Control

Version 1:	February 2014	Approved:	Board	Date: 27Feb14
Review:	February 2017	Responsible:	Company Secretary	
Version 2	May 2016	Approved:	Board	Date: 26May16
Review:	May 2019	Responsible:	Company Secretary	