

| POLICY | Governance |
|-------------------|-----------------------------------|
| TITLE: | Board Role, Function & Conduct |
| AREA: | Governance |
| RESPONSIBILITY: | Board and Chief Executive Officer |
| RELATED POLICIES: | N/A |
| DRAFTED BY: | Chief Executive Officer |
| DATE APPROVED: | 25 th August 2018 |
| APPROVED BY: | Paddle Australia |
| NEXT REVIEW: | June 2020 |

CONTENTS

| | |
|--|---|
| 1. OVERVIEW..... | 3 |
| 2. INTRODUCTION | 3 |
| 3. DEFINITIONS | 3 |
| 4. ROLE AND FUNCTION OF THE CHAIR OF THE BOARD | 4 |
| 4.1 The Chair of the Board | 4 |
| 4.2 Appointment of the Chair | 4 |
| 4.3 Role and Function of the Chair | 4 |
| 5. ROLE AND FUNCTION OF THE DEPUTY CHAIR OF THE BOARD..... | 6 |
| 5.1 The Deputy Chair of the Board | 6 |
| 5.2 Appointment of the Deputy Chair..... | 6 |
| 5.3 Role and Function of the Deputy Chair | 6 |
| 6. ROLE AND FUNCTION OF THE DIRECTORS OF THE BOARD | 6 |
| 6.1 The Director of the Board | 6 |
| 6.2 Role and Function of a Director | 6 |
| 7. CODE OF CONDUCT | 7 |
| 7.1 Act in Good Faith in the Best Interests of the Organisation..... | 8 |
| 7.2 Avoid or Manage Conflicts of Interest Appropriately | 8 |
| 7.3 Use Information Properly | 9 |
| 7.4 Support Decisions Taken by the Board..... | 9 |
| 7.5 Act With Care and Diligence | 9 |
| 7.6 Act According to the Organisation’s Values | 9 |
| 7.7 Acting as a Spokesperson | 9 |

1. OVERVIEW

In accordance with the Rules of the Paddle Australia Constitution, the following Policy is adopted by the Paddle Australia Board.

The Board Role, Function and Conduct Policy sets out the roles and responsibilities of the Directors of the Board. The policy articulates, in practical terms, the way in which each board member is expected to behave in their role as a member of the Board of Paddle Australia.

2. INTRODUCTION

Paddle Australia (PA) is committed to good governance and this Policy guides Directors in understanding the role, function and conduct their position holds ensuring good governance is maintained.

3. DEFINITIONS

In this Policy the following words have the following meaning:

| | |
|--|---|
| “PA” | means Paddle Australia Limited. |
| “Appointed Director” | means a Director appointed under clause 13.11 of the Constitution. |
| “Board” | means the body consisting of the Directors under clause 13.1 of the Constitution. |
| “Chairperson” or “Chair” , also referred to as the President | means the person elected as the Chair of the Company under clause 15.7 of the Constitution. |
| “Constitution” and “By-Laws” | respectively mean the Constitution, Policies and By-Laws of PA. |
| “Deputy Chairperson” or “Deputy Chair” , also referred to as the Vice President | means the person elected as the Deputy Chair of the Company under clause 13.17 of the Constitution. |
| “Director” | means a director of the Company and includes Elected Directors and Appointed Directors. |
| “Directors” | means, as the case requires, all or some of the Directors acting together in accordance with their powers and authority under the Constitution. |
| “Elected Director” | means a Director elected under clause 13 of the Constitution. |
| “Members” | means the members of PA as defined in the Constitution. |
| “Policy” | means this Role and Function of the Board Policy. |

4. ROLE AND FUNCTION OF THE CHAIR OF THE BOARD

4.1 THE CHAIR OF THE BOARD

As defined by the Constitution, “Chairperson” or “Chair”, also referred to as the President, means the person elected as the Chair of the Company under **clause 15.7(a)**.

It is important to note that with the role of Chair and President combined there are responsibilities and functions that are expected to be undertaken by the Chair in their position as President (figurehead of the Organisation).

4.2 APPOINTMENT OF THE CHAIR

In accordance with **clause 15.7** of the Constitution the election of the Chair (President) is undertaken in the following manner:

- a) The Directors may elect one of their number to be the Chairperson by a majority vote.
- b) The Director elected to be Chairperson under **clause 15.7 (a)** will remain Chairperson for the duration of their term of office as Director and shall chair any meeting of Directors unless the resolution electing a person as the Chairperson specifies a fixed term for the appointment.

4.3 ROLE AND FUNCTION OF THE CHAIR

The Chair plays a crucial role in ensuring the on-going good governance of Paddle Australia. The Chair should ensure that the Board is balanced, and that Board discussion is open and includes all Board members.

It is also the responsibility of the Chair to ensure that relevant issues are included in the agenda and that all board members receive timely information for meetings and between meetings.

The Chair of the Board shall, subject to the Constitution, preside at General Meetings of Paddle Australia as well as meetings of the Board. The role and functions of the Chair in relation to meetings may be summarised as follows:

- To understand all statutory, constitutional and procedural requirements for the meeting;
- To facilitate General Meetings and Board Meetings;
- To determine that the meeting is properly convened and constituted and that a quorum is present;
- To inform himself/herself as to the business and objects of the meeting;
- To preserve order in the conduct of those present;
- To confine discussions within the scope of the meeting and within reasonable limits of time;
- To decide whether proposed motions and amendments are in order;
- To formulate for discussion and decision, questions which have been asked for the consideration of the meeting;

- To decide points of order and other incidental matters which require decision at the time;
- To ensure meetings are effectively conducted and minutes are signed as a true and correct record at the next Board meeting; and
- To ascertain the sense of the meeting by:
 - Putting relevant questions to the meeting and taking a vote on them;
 - Declaring the result;
 - Causing a poll to be taken if duly demanded;
 - Handling all matters in an impartial manner;
 - Dealing with the record or minutes in the proceedings;
 - Adjourning the meeting where justified; and
 - Declaring the meeting closed when its business has been completed.

In addition to ensuring that proper conduct of meetings occur, it is the responsibility of the Chair to undertake duties in relation to Strategic Direction, Governance and Conduct of the Board. These duties include but are not limited to:

- To ensure the Board receives accurate, timely and clear information;
- To ensure the Board is focused on achieving appropriate outcomes;
- To ensure the Board has an effective decision-making process;
- To maintain a professional working relationship with the CEO;
- To promote constructive and respectful relations between board members;
- To ensure that each board member appropriately contributes to the Board's decision-making process;
- To be responsible for Statutory and Company Secretary matters;
- To be responsible for representing the Board to affiliates ensuring that affiliates receive high quality, relevant and useful information in a timely manner to vote in an informed manner;
- To ensure that the Board's workload is dealt with effectively;
- To maintain ethical standards and behaviour based on PA's agreed values;
- To ensure the Board, Committees and individual board members are subject to a performance evaluation process;
- To represent PA when required and at ICF meetings and forums;
- To be the official host of PA guests at PA events; and
- With the CEO, to be the official spokesperson on PA matters.

5. ROLE AND FUNCTION OF THE DEPUTY CHAIR OF THE BOARD

5.1 THE DEPUTY CHAIR OF THE BOARD

As defined by the Constitution “Deputy Chairperson” or “Deputy Chair”, also referred to as the Vice President, means the person elected as the Deputy Chair of the Company under **clause 13.17(a)**.

5.2 APPOINTMENT OF THE DEPUTY CHAIR

In accordance with **clause 13.17** of the Constitution the election of the Deputy Chair shall:

- a) At the first Directors meeting after the AGM, the Directors may elect one of their number to be the Deputy Chairperson (Vice President) by majority vote.
- b) The Director elected to be Deputy Chairperson under clause a) will remain in that position until the conclusion of the next AGM.

5.3 ROLE AND FUNCTION OF THE DEPUTY CHAIR

The role and function of the Deputy Chair is to support the Chair of the Board and to substitute for the Chair when the Chair is absent. The functions of the Deputy Chair include but are not limited to:

- To act as the Chair in the Chair’s absence;
- To assist the ambassadorial role in the discharges of the Chair’s duties;
- To represent PA as determined by the Chair; and
- To represent PA at ICF meetings and forums.

6. ROLE AND FUNCTION OF THE DIRECTORS OF THE BOARD

6.1 THE DIRECTOR OF THE BOARD

As defined by the Constitution “Director” means a director of the Company and includes Elected Directors and Appointed Directors.

6.2 ROLE AND FUNCTION OF A DIRECTOR

The role and functions of a Director include but are not limited to the following:

A Director must:

- Act solely in the best interests of PA and its members and stakeholders as a whole.
- Exercise their powers and discharge their duties with reasonable care and diligence, honestly, in good faith and for a proper purpose.
- Be independent in judgment and actions and take all reasonable steps to be satisfied as to the soundness of all decisions taken by the Board of Directors.

- To the extent they reasonably believe to be appropriate, inform themselves about the subject matter of any judgment and ensure that the judgment is in the best interests of the organisation:
 - At all times, to comply, with the spirit, as well as the letter, of the law and with the principles of this Policy;
 - Ensure the resources of PA are efficiently managed to fulfil the objects of the company; and
 - Carry out duties with consistent regard for the PA Constitution and ensure PA operates within the bounds of the appropriate legislation.
- Advise the Board in accordance with the PA Conflict of Interest Policy if he/she has a material personal interest in a matter that relates to the affairs of PA. If this matter is being voted upon, he/she must not vote on the matter or be present while the matter is being considered.
- Advise the Board immediately when he/she becomes aware of any issue that may give rise to legal, regulatory or disciplinary actions. If such actions may impact on the reputation of PA, he/she should either step down until the matter has been resolved or resign from the Board. Once the matter has been resolved, it will be for the Board to decide whether the Director should resume his/her position or resign.

A Director must not:

- Solicit or accept benefits, entertainment, gifts, bribes, secret commissions or illegal inducements of any kind.
- Take improper advantage of the position as a Director.
- Make improper use of information acquired as a Director.
- Engage in conduct likely to bring discredit upon PA
- Disclose confidential information unless that disclosure has been duly authorised by the Board or is required by law.

The Board of Directors should:

- Ensure each Director acts in the best interests of members and stakeholders.
- Assess the independence of individual Directors on an annual basis.
- Monitor declarations of interest made by Directors.
- Monitor compliance with the Directors' Code of Conduct and this Policy.

7. CODE OF CONDUCT

Both as a candidate for election or appointment to the Board, and as an elected or appointed, a Director of Paddle Australia always agrees to:

7.1 ACT IN GOOD FAITH IN THE BEST INTERESTS OF THE ORGANISATION

- a) Act honestly.
- b) Act in the best interests of the organisation.
- c) Treat all members fairly and equitably.
- d) Comply with the law in protecting other stakeholder interests.
- e) Protect the financial viability of the organisation.
- f) Only use the powers of the Board for the purpose they were granted.
- g) Exercise independent judgment and not vote at the direction of anyone else.
- h) Bring an open mind to any discussion.
- i) Be impartial in decision-making.
- j) Foster the good reputation of the organisation and not do anything to discredit that reputation.
- k) Seek prior approval for any significant out-of-pocket expenses for which will be claimed as reimbursement in accordance with the PA Expense Reimbursement Policy.
- l) Not accept any personal benefits likely to place himself/herself under an obligation to other organisations or individuals.

7.2 AVOID OR MANAGE CONFLICTS OF INTEREST APPROPRIATELY

- a) Not put their own interests above those of the organisation as a whole.
- b) Not take improper advantage of their position as a board member to gain, directly or indirectly, a personal advantage for himself/herself or another person or entity associated with himself/herself (such as family; a company or business; another organisation with which he/she is involved).
- c) Make full disclosure of any conflict or potential conflict to the Board in accordance with the PA Conflict of Interest Policy.
- d) Make sure the Board handles a declared conflict in the way it is required to by the law or the organisation's Constitution (Rules) that usually involves:
 - A minute that a Director has declared a conflict;
 - A decision by the Board as to whether the Director can be present for any discussion on the issue;
 - A minute that the Director has left the boardroom;
 - The remaining board members deciding the issue in the Director's absence; and
 - To advise the Director of the Board's decision on the issue upon their return to the boardroom.
- e) If a conflict is identified in advance, decide with the Chair and CEO if the Director should not receive board papers on the issue.
- f) Consider the need to resign from the Board if the conflict is significant and continuing.

- g) Not seek or accept any benefit for directing a business or service provider to the organisation.
- h) Seek any expert professional advice about a Director's duties as a board member from a source independent of the organisation's professional advisors.

7.3 USE INFORMATION PROPERLY

- a) Not use information gained as board member improperly.
- b) Not provide organisational documents to others outside the organisation.
- c) Keep Board meeting discussion, debate and papers confidential unless the Board has authorised disclosure or it is required by law.

7.4 SUPPORT DECISIONS TAKEN BY THE BOARD

- a) Support consensus decision-making in the Board.
- b) Only ask that a vote against a board decision be recorded in exceptional circumstances.
- c) Publicly support the Board's decision, even where it is disagreed with.
- d) Resign from the Board rather than undermine its decisions.

7.5 ACT WITH CARE AND DILIGENCE

- a) Work to understand the duties and responsibilities as a board member.
- b) Devote adequate time to the role.
- c) Attend meetings regularly.
- d) Read board papers and other information provided.
- e) Be an active participant in meetings and ask pertinent questions.
- f) Become familiar with the operations of the organisation.
- g) Make sure that an appropriate CEO and senior managers are appointed.
- h) Make sure that delegations and policies are in place for the organisation's operations.
- i) Make sure that the Board adequately monitors the organisation's performance.
- j) Question the status quo to look for ways to improve the organisation.

7.6 ACT ACCORDING TO THE ORGANISATION'S VALUES

- a) Question to reach the best outcome, not to "catch out".
- b) Deal respectfully with conflict.
- c) Listen to, and value, the diversity of views.
- d) Seek independent professional advice about duties and responsibilities with approval of the Chair.
- e) Share that advice with all board members, where appropriate.
- f) Avoid factionalising the Board.

7.7 ACTING AS A SPOKESPERSON

- a) If acting as spokesperson for the organisation, follow the Communications Policy with the CEO acting as spokesperson in the first instance.