



Australian Traditional-
Medicine Society Ltd

THE AUSTRALIAN TRADITIONAL- MEDICINE SOCIETY (ATMS) BOARD OF DIRECTORS

Board Charter

Version: 3.0

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Leader of the Natural Medicine Industry
www.atms.com.au

1. Board Charter

- 1.1. The Board of Australian Traditional-Medicine Society Ltd (ATMS) supports the Corporate Governance Principles and Recommendations proposed by ASIC. The Board has developed policies and practices consistent with these Principles with appropriate amendments that the Board believes are applicable for the size and nature of ATMS's operations.
- 1.2. The Board has set out its responsibilities and principles as Charter and will carry out those responsibilities honestly, fairly and diligently, in accordance with the law and the ATMS Business Code of Conduct and Ethics for the benefit of company, the employees, and the community.
- 1.3. ATMS's corporate governance culture – our way of doing business – including leadership by the Board and senior management, is critical to ATMS's continuing success and is intended to set an example to all those dealing with ATMS of the effective operation of good corporate governance.

2. Board and Management Responsibilities

- 2.1. The Board's responsibilities are to:
 - 2.1.1. Oversee the management of ATMS.
 - 2.1.2. Determine ATMS's strategic direction, core values and ethical framework.
 - 2.1.3. Appoint, dismiss, direct, support professional development and evaluate the performance and determine the remuneration of the Chief Executive Officer (CEO).
 - 2.1.4. Approve management's policies, strategy and performance objectives.
 - 2.1.5. Approve, monitor and review the financial and non-financial performance of the organisation, including annual budget targets for revenue, surplus or deficit, expenditure, and cash flows, as proposed by management.
 - 2.1.6. Ensure an effective system of internal controls exists and is operating as expected, and that policies on key issues are in place and appropriate and that these can be applied effectively and legally to all of whom they are intended.
 - 2.1.7. Approve and maintain succession plans for the President, Vice Presidents and Treasurer.
 - 2.1.8. Approve and maintain succession plans for the CEO and Company Secretary.
 - 2.1.9. Monitor management performance, implementation of strategy, and allocation of resources to achieve the business policies, strategies, objectives and budgets.
 - 2.1.10. Determine and approve the levels of authority given to the CEO relating to operational expenditures, capital expenditures, contracts, banking and credit facilities, and monitoring any further delegation of those authorities by the CEO to other senior employees of the company.
 - 2.1.11. Develop clearly articulated and effective grievance procedures (*check*)
 - 2.1.12. Ensure financial and non-financial risks are appropriately identified and managed.

- 2.1.13. Ensure ATMS complies with all relevant laws, codes of conduct and appropriate standards of behaviour and compliance with best practice corporate governance requirements.
- 2.1.14. Approve (subject to member endorsement) the appointment of the external auditor.
- 2.1.15. Approve the Charter for all Board committees.
- 2.1.16. Approve admission of life members, hall of fame members, and the ATMS.
- 2.1.17. Monitor the reporting to members via the annual report.
- 2.1.18. Ensure performance evaluation of Directors, President, Vice Presidents and Treasurer occurs regularly.
- 2.1.19. Ensure all Board Committees report to the Board on a regular basis.
- 2.1.20. Evaluation of Board Committee's performance occurs regularly.
- 2.1.21. Ensure the Board makes decisions for the betterment of the ATMS and its membership and the natural medicine profession as a whole.
- 2.1.22. Ensure Board members are appropriately prepared for and committed to attending Board meetings that are held at least four (4) times each year. In addition, Directors are expected to attend the AGM and the meetings of the Committees they are appointed to.

2.2. The Board delegate to management the following responsibilities:

- 2.2.1. Manage the day-to-day affairs and operations of ATMS within the Board-endorsed strategic policy and financial framework.
- 2.2.2. Ensure the implementation of Board decisions.
- 2.2.3. Ensure financial management and reporting to the Board.
- 2.2.4. Ensure maintenance of records, ie. Computer backup, file integrity, privacy protection, minutes, member database, accounts database.
- 2.2.5. Ensure marketing of the ATMS brand.
- 2.2.6. Manage member services.
- 2.2.7. Admit members who meet the academic qualifications required by ATMS.
- 2.2.8. Develop relationships with politicians, media, health funds, educational institutions, natural medicine associations and other industry stakeholders.
- 2.2.9. Management of staff.
- 2.2.10. Report to the Board on the performance of ATMS.
- 2.2.11. Consult with the Board regarding senior executive appointments, organisational changes and senior executive remuneration policies and practices.

2.2.12. Other duties as are from time-to-time delegated by the Board.

2.3. It is intended that the CEO can make decisions and actions which further the strategic objectives of ATMS, and which in his or her judgement are reasonable having regard to the matters reserved by the Board, and the potential effect on the reputation of ATMS.

2.4. The CEO will report systematically in a spirit of openness and trust on the progress being made toward achievement of the strategic objectives of ATMS as determined by the Board.

2.5. The Board will, on a regular basis, undertake a review of its responsibilities and the responsibilities of management to ensure that they remain appropriate for the business conducted by ATMS.

3. Composition of the Board

3.1. The Board is responsible for the following:

3.1.1. Determining the number of Directors (subject to the Constitution)

3.1.2. Terms and conditions of Directors' appointments.

3.1.3. Appointment of a Chair and filling casual vacancies on the Board and managing the succession of Board members.

3.2. Directors are entitled to request independent professional advice related to the discharge of their responsibilities as Directors, prior to approval of the Chair and according to ATMS policy. Directors who decide to take this path do so at their own expense.(refer to *Constitution*)

4. Board Meetings

4.1. A Board meeting may be held by the Board communicating by any technological means consented to by all the Directors. The consent may be a standing one and the Board need not all be physically present in the same place for a Board meeting to be held. Face to face meetings may be conducted in various locations.

4.2. From time to time the Directors may meet without management present.

4.3. A meeting can be convened by the Chair, or any two Directors. Each Director is entitled to receive notice of a meeting of Directors, preferably not less than 48 hours prior to the meeting, unless the Directors unanimously agree otherwise.

4.4. CEO in consultation to Chair to prepare agenda and notes ten (10) working days prior to the relevant meeting and disseminate to those attending. Failure to have all documents to the CEO in a timely manner may result in the item being removed from the agenda and included at the next meeting.

4.5. A quorum for a meeting of Directors is a majority of the Board, unless otherwise fixed by the Directors. The quorum must be present at all times during the meeting.(refer to *Constitution*)

5. Conflict of Interest

- 5.1. Directors must keep the Board advised, on an ongoing basis, of any interests that could potentially conflict with those of ATMS and shall advise the Company Secretary of all Directorships held in other companies.
- 5.2. If a potential material conflict of interest arises, the Director concerned shall advise the Chair prior to any Board meeting at which the issue is to be discussed. Any potential conflict of interest must be recorded in the Board minutes.
 - 5.2.1. Conflict of interest may require for a Director to be excused from discussions on the matters involved. The Board may, under special circumstances, ask the Director to remove themselves from the meeting for the term of the discussion.

6. Board Committees

- 6.1. The Board may establish committees to which it may delegate any of its powers, duties and responsibilities. The Board will appoint the Chair and members of each committee.
- 6.2. The Board has established the following Board Committees:
 - a. Inner Executive Committee (IEC)
 - b. Finance & Audit Compliance Committee (FACC)
 - c. Academic Review Committee (ARC)
 - d. Continuing Education Committee (CEC)
 - e. Complaints Committee (CC)
 - f. Research Committee (RSC)
 - g. Media Watch Committee (MWC)
 - h. Regulatory Committee (RC)
 - i. Marketing Committee (MC)
- 6.3. A separate Terms of Reference has been adopted for each of these committees, setting out the skills matrix, the composition, duties and responsibilities of each committee, which is reviewed every two (2) years.

7. The Company Secretary

- 7.1. The Company Secretary is accountable to the Board, through the Chair, on all governance matters, with all Directors having access to the Company Secretary for advice or assistance on governance matters. Directors seeking clarification pertaining to governance matters will seek guidance from the Company Secretary, not individual staff members.
- 7.2. The Company Secretary supports the effectiveness of the Board by:
 - 7.2.1. Ensuring Board policy and procedures are followed.
 - 7.2.2. Coordinating the completion and dispatch of Board agendas, briefing papers and minutes.
- 7.3. The company secretary ensures that an organisation complies with relevant legislation and regulation, and keeps Board members informed of their legal responsibilities. This includes governance structures and mechanisms, corporate conduct within an organisation's regulatory environment.

- 7.4. The Company Secretary safeguards the integrity of the organisation and is the sounding Board on high standards of ethical and corporate behaviour and bridges the interests of the Board, management and the membership.

8. Review of Board Effectiveness

- 8.1. The Board members will participate in an annual review of the Board's effectiveness in carrying out its responsibilities. The Chair will implement a review system in consultation with Board members. This may include:
 - 8.1.1. A collective review of effectiveness undertaken by the Board.
 - 8.1.2. Individual performance reviews for Directors and Chair/President.
 - 8.1.3. Opportunities for Directors to give private feedback to the Chair on Board effectiveness.
 - 8.1.4. Such other review mechanisms as the Board decide.
- 8.2. The Chair, in consultation with the Board, will consider whether or not to engage an external facilitator to assist with the above.

9. Charter Review

- 9.1. The Board shall review this Charter every two years or as required, after the annual Board performance assessment.
- 9.2. Once adopted by the Board, any modifications to or replacements of this Charter must be approved by the Board.