



THE ORDER OF AUSTRALIA ASSOCIATION

GP1 Nomination and election of Directors Procedure

Policy identifier	GP1 Nomination and election of Directors Procedure
Version	1.0
Drafter	National Secretary
Scheduled review date	February 2023
Document ownership	National Board

Table of Revisions

Version	Date	Reason for Modification	Person Responsible
1	Jan 2021	Initial	National Secretary

1. INTRODUCTION

1.1 Overview

This Procedure provides the operational aspects of the nomination and election of Executive Directors and Branch Nominated Directors to the Board.

1.2 Purpose

The purpose of this Procedure is to provide guidance to the Board, the National Nomination Committee and each Branch's Nomination Committee regarding the nomination process for Executive Directors and Branch Nominated Directors.

1.3 Applicability

The procedures outlined in this document apply to the Board of the OAA

1.4 Policy Basis

The basis of this Procedure is the Constitution of the OAA- clause 42.

2 PROCEDURES

2.1 Selection of Nominees

Nominations should be sought from the Branch membership (in the case of Branch Nominated Directors) or the wider Association membership (in the case of Executive Directors).

On receipt of nominations, the appropriate National or Branch Nomination Committee is required to consider the nominee is a fit and proper person.

In assessing the attributes consider:

- Financial membership status of the nominee and those making the nomination;
- Age – must be 18 years or older;
- Has the time to adequately perform the duties of a Director
- Input from National Chairman as to skills enhancement, knowledge and experience required on the Board
- Qualification to act as a Director
 - Any potential conflict of interest
 - Not an ASIC or ACNC ‘disqualified person’
- Completion of the Statutory Declaration-Appendix C of the Board Charter

The Association requires all Directors to disclose any interests or relationships they have that may relate to the affairs of the Association. This includes the requirement for Directors to notify changes to their membership status, including when they cease to be a member of the Association.

2.1.2 Director Appointment

Once satisfied that a person under consideration is a fit and proper person:

- in the case of Branch Nominated Directors, a Branch election process follows in accordance with the Association’s By-laws. The Branch then nominates the successful candidate to the Board, and that individual becomes a Director by virtue of that nomination.
- in the case of Executive Directors, the National Nomination Committee submits nominations to the National Secretary, and a Board election process follows in accordance with the Constitution.

When lodging a nomination with the National Secretary, National and Branch Nomination Committees are required to certify that the nominee is not disqualified from acting as a Director. In the case of Executive Directors, the National Nomination Committee must forward a completed nomination form for each nominee. The Nomination Form is listed as Appendix C in the Board Charter.

Documentation for each fit and proper assessment must be retained for a period of seven (7) years after a Director leaves the Board

Notwithstanding this emphasis on self-assessment in respect of fit and proper person requirements, ACNC has statutory powers under the *Act* to disqualify a person from being or acting as a Director of the Association.

2.1.3 Informing the Regulator

The National Secretary must notify ACNC of the appointment and removal of Directors. The following information must be provided to ACNC:

- given and family names;
- any other names the person is known by;
- date of birth;
- residential address;
- contact phone numbers and email address; and
- the position the person holds and the date he or she became a Director.

2.1.4 Induction

The National Chairman will contact new Directors on nomination (in the case of Branch Nominated Directors) or election (in the case Executive Directors) to welcome them to the Board, reiterate the duties of Directors and outline initial administrative arrangements as shown in Appendix B. New Directors must then undertake a structured induction program to help them contribute quickly and appropriately. The Association's induction arrangements are set out at Appendix B. Induction should be completed within six (6) weeks of nomination or election, and an Induction Sheet is to be completed.

2.1.5 Training

The Association will not provide training for Directors (other than on the Association's information systems). It is therefore the responsibility of Branch Committees and the National Nomination Committee to ensure that persons being considered for nomination as Directors have the requisite competence. Once appointed or elected, it is the responsibility of individual Directors to ensure that they maintain the competencies necessary for their roles.

2.1.6 Succession Planning

The National Chairman in conjunction with the Board is responsible to work through succession planning to build a Board that has an appropriate mix of skills, knowledge, experience and perspective for the effective conduct of its operations. While the nomination of Branch Nominated Directors is the prerogative of Branches, the National Chairman must work with Branch Chairman to sustain the overall skills mix of Directors, including by encouraging nominations from members with skills. Similarly, the National Chairman must ensure by effective communication with Association members that nominations put forward for election as Executive Directors complement the Board overall as well as bringing the skills, knowledge, experiences and attributes required for their roles.

2.1.7 Removal and Vacation of Office of Directors

The general conditions under which a Director may be removed from office and under which the position of a Director shall become vacant are set out in the Constitution- clause 44.

Related Documents

This Procedure is to be read in conjunction with:

- Constitution of the Order of Australia Association
- By-laws of the Order of Australia Association
- G2 Board Charter
- G10 Conflict of Interest Policy
- A1 Record Management Policy
- G13 Board Nomination Committee Charter

Appendices

A Chairman's Letter to new Directors

B Induction Arrangements

APPENDIX A

National Chairman's Letter to New Directors

Dear {insert name},

Congratulations on your {nomination/election} as a Director of the Order of Australia Association and welcome to the Board.

As you know, the primary objective of the Order of Australia Association is to celebrate and promote outstanding Australian citizenship. The Association provides fellowship for its members and opportunities for them to continue to support the community.

Directors are appointed for a three-year term. A Director may offer him/herself for re-appointment but must be re-nominated by his/her Branch (in the case of Branch Nominated Directors) or re-elected by the Board (in the case of Executive Directors).

The maximum cumulative tenure of a Director on the Board is nine (9) years

A brief outline of the obligations and duties of a Director is set out below. This summary is not intended to describe comprehensively all the obligations and duties that the law may impose on Directors, nor is it intended to be legal advice.

Duties of Directors

The *Corporations Act*, the *ACNC Act* and common law impose duties and obligations on all company Directors. Directors who breach their duties may be personally liable for any losses, fined or, in more serious cases, face imprisonment.

Although the Association holds Director's insurance, this only provides cover for the financial liability of Directors in certain prescribed circumstances. The terms of the insurance policy and the *Acts* are such that Directors are not covered for all potential breaches of their duty.

Directors are in a fiduciary relationship with the Association and its members. This means that Directors are in a position of trust and power. The law imposes duties on Directors to ensure their loyalty to the Association. Some of the key duties are summarised below.

Duty to act in good faith in the best interests of the Association. You must always act honestly in the best interests of the Association when exercising your powers as a Director. The interests of the Association are the interests of its members as a whole, not the interests of any Branch or Regional Group.

Duty to act for a proper purpose. You must exercise your powers only for the purposes for which they were given – that is, in the best interests of the Association and furthering its charitable purposes. You must not exercise your powers for reasons that are primarily personal or otherwise inconsistent with your duties as a Director.

Duty to act with care and diligence. You must always act with the degree of care and diligence that a reasonable person in a like position would exercise. You will be deemed to have satisfied this duty so long as you make judgements in good faith for a proper purpose, do not have a material personal interest in the matter, inform yourself about the subject matter to the extent you reasonably believe appropriate, and rationally believe that the judgement is in the best interests of the Association. You may rely on the special knowledge or expertise of another Director, adviser or expert, as long as you make an independent assessment of that information or advice.

Duty to pay attention to the affairs of the Association. You must ensure that you devote appropriate time and attention to the affairs of the Association. Although much of the day-to-day management of the Association will be carried out by the Executive Committee, it is the duty of all Directors to ensure that the Association adopts appropriate policies and procedures and to review and assess the information and advice provided by the Executive Committee and external advisers. In addition, you must inform yourself of the financial affairs of the Association to the extent necessary to form an opinion on solvency.

To satisfy these requirements with care and diligence, you should, amongst other things:

- make every attempt to attend all Board meetings and meeting of Board Committees of which you are a member;
- read policies, issues papers and other documents relevant to enabling you to participate actively in those meetings; and
- participate actively in meetings having formed your own opinions.

Duty to avoid conflicts of interest. You must not allow your personal interests to interfere with the exercise of your duties as a Director. You must not improperly make use of your position or the information you receive when acting as a Director for the benefit of yourself or any other person. You must notify the Board if you have any material personal interest in any matter that relates to the affairs of the Association and must not participate in any Board decision on the matter without the full knowledge and approval of the Board.

The above information is provided to give you an overview of Board responsibilities and the commitment involved.

The Association does not provide funding for training of its Directors. It will therefore be your responsibility to ensure that you retain the necessary competency to fulfill your general duties as a Director and meet the requirements of your role.

As a practical matter, face-to-face Board meetings are held at least twice each year, with teleconferences in between. Board Committee meetings are scheduled as required by the respective Committee Chairmen. Face-to-face Board meetings are generally held in hotels adjacent to Sydney and Melbourne airports; one face-to-face meeting each year is held in the location of and in conjunction with the National Conference and Annual General Meeting. You are expected to attend as many of these meetings and teleconferences as possible and must advise the National Secretary in writing if you are unable to attend, including any proposed alternate or proxy arrangements. There are considerable reading and analytical requirements in preparation for Board and Committee meetings.

Service as a Director of the Order of Australia Association is not remunerated, but under our Constitution and policies, Directors are entitled to reimbursement of fair and reasonable expenses. If you have any questions on this point you should seek advice from the National Secretary or the National Treasurer.

I believe you will find service as a Director of the Association a very satisfying experience. It is a genuine opportunity to offer a much needed and valuable service to the members of the Association, and through them to the wider Australian community. I look forward to working with you towards these ends.

Yours sincerely,

{Insert name}

Chairman

The Order of Australia Association

Induction Arrangements for New Directors

Each new Director is to be issued with an Induction Pack, undertake the Association's Induction Program, and complete the attached Induction Checklist. The National Secretary is to retain a copy of the completed Checklist.

The Induction Pack will be compiled by the National Secretary and will typically include:

- Welcome letter from the National Chairman;
- Copies of, or links to the:
 - Constitution and By-Laws ;
 - Policies;
 - Strategic Plan;
 - Annual Business Plan;
 - Most recent Annual Report;
 - Charters of the Board and any committees on which the new Director is to serve;
 - Minutes of the last three (3) Board meetings;
 - Minutes of the last three meetings of any committees on which the new Director is to serve;
 - Insurance Policies/coverage; and
 - Access to relevant background information if required

The Induction Program will, as a minimum, include:

- Meet with or speak by phone/TEAMS (or similar) with the National Chairman to clarify Board roles, committees, expectations, and strategic issues;
- Meet with or speak by phone/TEAMS (or similar) with the National Secretary to discuss arrangements for induction, Board meetings, administration and record keeping;
- Meet with or speak by phone/TEAMS (or similar) with the Chairman of any committees on which the new Director is to serve to clarify Committee responsibilities and expectations; and
- Training as necessary for access to the Association's approved records managements systems.

Induction Checklist

Director name:

Mobile:

Email:

Start date:

Document Familiarisation

- | | | |
|--|--|---|
| <input type="checkbox"/> Constitution | <input type="checkbox"/> By-laws | |
| <input type="checkbox"/> Policies | <input type="checkbox"/> Strategic Plan | <input type="checkbox"/> Annual Business Plan |
| <input type="checkbox"/> Annual Report | <input type="checkbox"/> Board/Committee Charters | |
| <input type="checkbox"/> Minutes Last 3 Board Meetings | <input type="checkbox"/> Minutes Last 3 Committee meetings | |
| <input type="checkbox"/> Insurance | <input type="checkbox"/> Access to relevant background information if required | |
-

Induction Program

Event	Date Completed
Meet with or speak by phone/TEAMS (or similar) with the National Chairman to clarify Board roles, committees, expectations, and strategic issues.	<input type="checkbox"/> / /20
Meet with or speak by phone/TEAMS (or similar) with the National Secretary to discuss arrangements for induction, Board meetings, administration and record keeping.	<input type="checkbox"/> / /20
Meet with or speak by phone/TEAMS (or similar) with the Chairman of any committees on which the new Director is to serve to clarify Committee responsibilities and expectations.	<input type="checkbox"/> / /20
Training as necessary for access to the Association's approved records managements systems.	<input type="checkbox"/> / /20

Declaration

I, _____ confirm that I have received and read the Induction Pack and completed the Induction Program. I am aware of my duties and responsibilities as a Director. I have discussed any uncertainties about my role with the National Chairman or National Secretary.

Director Signature:

Date:

Chairman Signature:

Date:

Received by National Secretary:

Date:

Reported to Board Induction has been undertaken

Date