



ADVANCING BUILT ENVIRONMENT
COST PROFESSIONALS

AIQS BOARD OF DIRECTORS AND GOVERNANCE GUIDELINES

JUNE 2024

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1. AUSTRALIAN INSTITUTE OF QUANTITY SURVEYORS LIMITED

The name of the Company is THE AUSTRALIAN INSTITUTE OF QUANTITY SURVEYORS Limited.

The Company is a not-for-profit public Company limited by guarantee.

The Company ABN is 97 008 485 809.

The Company is governed by a Constitution, By-laws, Regulations (Policies and Guidelines), the *Corporations Act 2001*, and the *Commonwealth Work Health & Safety Act 2011* (a schedule of these documents is appended to this Guideline).

The liability of members is limited to the amount of the guarantee in Constitution Clause 10.

The Company's financial year is from 1 July to 30 June, unless the Directors pass a resolution to change the financial year.

The Company's Annual General Meeting (AGM) is usually held in November of each year.

Company Directors are elected by each Chapter (two per Chapter) and are elected for a two-year term. At present, there is no limit on the number of terms a Director can be elected for.

Directors' responsibilities are prescribed in the *Corporations Act 2001*.

A summary of Directors responsibilities (*Corporations Act 2001* and *Work Health and Safety Act 2011*) are summarised within this guideline.

The Company has a Strategic Plan which is reviewed every five years.

The Company establishes an annual Operating Plan, detailing initiatives, operational requirements, and other activities designed to achieve the Company's Strategic Plan.

The Company has established portfolios (with associated committees), to assist in identifying, developing, and implementing initiatives in achieving the Company's strategic goals. Directors have responsibility for a portfolio and chair that portfolio's committee or assist in the management of other committees.

The Institute's President fulfils the same function as Chairman of the Board of Directors.

The Company has in place comprehensive Complaints Handling and Disciplinary procedures to address complaints against members.

The Company has a Risk Management Policy and Action Plan to assist Directors and senior management keep abreast of risks that may impact the strategic and operational objectives of the Company.

The Company has adopted the Australian Institute of Company Directors (AICD) Good Governance Principles and Guidance for Not-For-Profit organisations. These are as follows:

1.1 Roles and Responsibilities

The Board provides clarity regarding individual director responsibilities, organisational expectations of directors and the role of the board through the AIQS Constitution and By-Laws, Board Charter, Board Executive Charter, Governance and Directors Guidelines, and the Director Strategic Goal Assign Role & Responsibilities.

1.2 Board Composition

A board needs to have the right group of people, having particular regard to each individual's background, skills and experience, and how the addition of an individual builds the collective capability and effective functioning of the board.

1.3 Purpose and Strategy

The Board plays an important role in setting the vision, purpose and strategies of the organisation, helping the organisation understand these and adapting the direction or plans as appropriate.

1.4 Risk – Recognition and Management

The Board has established appropriate systems of risk oversight and internal controls, including the By-Laws, a suite of governance and operational policies, a five-year Strategic Plan, annual operating plans, assigned directors to each strategic goal, and a focus on achieving strategic initiatives which increases the likelihood that the AIQS will deliver on its purpose.

1.5 Organisational Performance

The degree to which the AIQS is delivering on its purpose is aided by the Board determining and assessing appropriate performance categories and indicators for the organisation.

1.6 Board Effectiveness

A Board's effectiveness is enhanced through careful forward planning of board-related activities; board meetings being run in an efficient manner; regular assessments of board performance; having a board succession plan; and the effective use of sub-committees, where appropriate.

1.7 Integrity and Accountability

The Board has established systems (Board / Board Executive Meetings with formalised agenda, Minutes, Action Plans, properly constructed agenda papers, and financial / audit reports) to facilitate a flow of information to the board that aids decision-making; there is transparency and accountability to external stakeholders; and the integrity of financial statements and other key information is safeguarded.

1.8 Organisation Building

The Board plays a role in enhancing the capacity and capabilities of the organisation they serve.

1.9 Culture and Ethics

The Board sets the tone for ethical and responsible decision-making throughout the organisation.

1.10 Engagement

The Board helps the AIQS to engage effectively with stakeholders. AIQS is committed to recognising individuals who have made significant voluntary contributions to the Institute. The Recognition of Service Policy outlines the eligibility, criteria and processes for nominating and awarding recognition of service to the AIQS and/or to the profession of Quantity Surveying.

2. ROLE OF THE BOARD OF DIRECTORS ("THE BOARD") AND DIRECTOR RESPONSIBILITIES

The role of the Board is to oversee the strategic management of AIQS and to represent its interests. The Board meets at least twice a year, and as otherwise required. Directors are expected to attend all Board meetings and meetings of committees on which they serve, and they are frequently called upon for advice between meetings. Directors are required to review advance meeting materials that are provided to each Director in advance of each meeting.

Directors are responsible for the Strategic Goal(s) assigned to them and the associated initiatives and Risk Action Plan assigned to them in accordance with the AIQS Strategic Goal Assignments (Director and Committee Roles &

Responsibilities) Policy. The Strategic Goal Assign initiatives are to be updated twice each year in the lead-up to the May and November Board meetings, and the Risk Action Plan for each strategic goal is to be reviewed and updated once per year.

Directors are expected to present at Board meetings advancements in achieving the initiatives associated with their particular Strategic Goal(s) and identify any impediments to achieving those initiatives.

Directors are subject to ASIC requirements and have a fiduciary duty of care to act in the best interest of the company.

Director's duties include:

- The duty to prevent insolvent trading
- The duty to exercise care and skill
- The duty to act in good faith in the interests of the company as a whole
- The duty to exercise their power as a director for a proper purpose
- The duty not to gain an advantage for themselves or someone else or cause detriment to the company by improper use of their position; and
- The duty to disclose any material personal interest they may have in a matter that relates to the affairs of a company.

They must also:

- act with reasonable care and diligence
- act in good faith in the corporation's best interests and for a proper purpose
- not misuse corporate opportunities; and
- not misuse confidential information.

Directors must:

- always act in good faith in the best interests of the company
- act honestly and make decisions for a proper purpose
- not abuse their position or seek to profit personally from it
- not use the company's information for personal gain or in a way that could harm the company
- avoid conflicts of interest whenever possible, and disclose all conflicts if they exist
- act diligently and with reasonable skill and care
- perform their role to the best of their ability based on their knowledge and experience
- familiarise themselves with the company and its activities
- monitor the company's financial and commercial performance
- ensure they comply with their duty not to trade while insolvent.

All AIQS Officers, Directors and staff should have an understanding of, and are subject to the AIQS Privacy Policy and the Commonwealth Privacy Act 1988.

This applies to all information relating to members and the administration, management, and operation of the AIQS, including but not limited to:

- membership details and records
- APC Panel interview results and considerations
- membership applications
- skilled migration qualification assessments
- Code of Conduct complaints, investigations and findings unless officially declared by the AIQS Board of Directors
- financial and commercial in confidence information
- Board of Directors meetings including Chapter and Branch meetings unless approved otherwise by the appropriate AIQS authority at each level i.e., the Board of Directors, Chapter Council and Branch Committee
- AIQS Committee, Task Force or Working Party meetings and workings.

3. BOARD OF DIRECTORS STRUCTURE

Two Board members are elected by ballot from each Chapter (one each year for a 2-year term). Where Regions have been formally established, there is one Board member from each Region within a Chapter, to a maximum of two from that same Chapter.

There are generally 14 Directors, consisting of:

- Immediate Past President
- President
- 2 x Vice Presidents
- 10 x Directors.

The President, in consultation with the Board of Directors, will set the council structure and responsibilities for each year.

All Directors must sign the AIQS Confidentiality Agreement and Conflict of Interest statement upon nomination to their role in order to be eligible for election and appointment.

3.1 The Board Executive

Unless agreed otherwise by the Board of Directors, the Board Executive will comprise the President, the Immediate Past President, the two Vice Presidents, and one other Director.

The Board Executive generally meets twice a year, either face-to-face or via teleconference, to ensure that affairs of the Board are kept on track and to report regularly to the Board on corporate progress. The Board Executive acts as a small cohesive group of the Board's leaders that the CEO can go to for quick feedback on matters that aren't ready for formal, full board deliberation.

Rules governing the composition, election, tenure, and powers of the Board Executive, are prescribed in By-Laws 19 – 24.

The Board Executive also administers the Institute's Benevolent Fund.

3.2 The President

In addition to presiding over the Board and Board Executive meetings, the President (Chairman of the Board) has a variety of responsibilities. As "chief volunteer," the President works with the CEO, Board, staff, and community to further AIQS's mission. A President influences how the Board uses its time. Anyone taking on this role must be committed to AIQS and must understand the scope of energy and time required to effectively do the job.

The President is expected to have a clear understanding of the Institute's Constitution, By-Laws, policies and procedures, financial and legal situation, and strategic plan. As the Board ambassador, the President acts as a spokesperson to the larger community. The President speaks in public on behalf of AIQS and advocates for the cause.

The President is responsible for Board member and the CEO's performance evaluations and succession planning and plays a crucial role in new Board member orientation. The President also creates opportunities for continuing education for Board members and mentors the President-elect.

The President, or delegate, will be required to visit each of the Chapters twice a year, usually coinciding with AGMs and Executive Forum Lunches.

3.3 Immediate Past President

AIQS Presidents gather a wealth of experience and corporate knowledge and develop broad industry networks during their term in office.

The AIQS Board of Directors believe that it is important for that experience, knowledge, and networks to be retained within the Board of Directors and Executives of the Institute to assist the new incoming President and possibly to share some of the workload of the President when required.

Therefore, the Immediate Past President, whether continuing as a Chapter nominated Director or not, shall:

- continue to attend Board of Directors and Board Executive meetings held in the term after their Presidency expires
- hold any portfolio allocated to them by the President, Board Executive, or Board of Directors
- be funded to the same extent as a Board of Director
- assist the President of the day by representing them and/or the Institute in any position agreed with the President and/or Board of Directors
- join the AIQS Past Presidents Committee

3.4 Vice Presidents

The Vice Presidents (Senior and Junior) each have a designated portfolio. They serve in place of the President when necessary and assist the President in implementing policies and programs of the Board of Directors as well as other matters.

The Vice Presidents roles should be viewed as stepping stones to the Presidency, and as such there is an expectation that the Vice Presidents will contribute more time to Institute business, as members of the Board Executive, than they would as a Board Director.

Specific responsibilities include:

- serves as a member of the Board of Directors and Board Executive with full voting rights
- take ownership of their designated portfolio(s) and report on these to the Board
- actively work with Head Office staff in delivering on their designated portfolio areas
- undertake functions delegated by the President.

3.5 Treasurer

The Treasurer is tasked with overseeing the Institute's finances, to ensure AIQS has sufficient financial resources to meet its financial obligations, and achieve the goals established in the Strategic Plan and Operating Plan. The treasurer should have a basic understanding of accounting and financial reporting requirements, and a working knowledge of the laws governing AIQS. The main duties of a treasurer are to oversee the financial administration of AIQS, review procedures and financial reporting and advise the Board on financial strategy.

The Treasurer should ensure that the Board understands its financial obligations and processes are in place to protect against fraud and theft. It is also the role of the treasurer to prepare reports, draw people's attention to tax implications, and potential risks or opportunities.

Financial accountability is predominant within the treasurer's role and includes planning and budgeting. The annual budget is an integral component of the Operating Plan and is framed to achieve the goals established in the Strategic Plan. The Treasurer will work with the Board to develop financial strategies and advise on financial implications of proposed operations and strategies.

4. NEW BOARD DIRECTORS

Board Directors are elected by the Voting members from within each Chapter and Region for 2-year terms.

4.1 Nominating to the Board

An applicant to the Board is required to fill out the respective nomination form, supported by two other financial voting members. Board applicants are required to have served on the relevant Chapter / Region Council for not less than two consecutive years and are a current Chapter / Region Councillor at the time the Company Secretary calls for Director nominations.

In addition, Board applicants must provide a brief biographical statement and state why and how they will add value to the Board. They are also required to declare all potential, actual or perceived conflicts of interest and disclose details of any investigation, inquiry, prosecution, or enforcement proceedings by any regulatory authorities within the last 10 years. All supporting documents requested must be provided, including a recent (within last 6 months) background/criminal check.

4.2 Background/Criminal Checks

All new Board members are required to provide a recent, clean Background/Criminal Check. This will be performed on a regular basis, being every fifth consecutive year renominated to the Board up to the maximum Board term.

As soon as practicable, Head Office will forward to newly elected Directors an induction pack containing:

- this Board of Directors Guidelines
- all Policies & Procedures
- a copy of the Articles of Association and By-Laws
- general information about AIQS and the Board
- consent form to act as a Director
- standing disclosure documents which records potential or actual conflicts of interests
- information required for pre-vetting checks (for example, a police check) or any other personal information that may be required to fulfil such obligations
- contact information form, which includes name, residential address, date of birth, etc
- Code of Conduct and confidentiality agreements.

5. BOARD MEETINGS

The Board of Directors may meet, adjourn, and regulate its meetings as it thinks fit, but it must meet at least twice every year. The Chief Executive Officer must give at least 28 days' notice of each meeting of the Board of Directors to every Director. Notice of at least 28 days may be waived provided that the majority of Directors so determine.

5.1 Quorum

Business must not be transacted at a meeting of the Board of Directors unless there is a quorum present. For the purposes of a meeting of the Board of Directors, a quorum will consist of 50% plus one of Board of Directors Members.

5.2 Convening Meetings

A meeting of the Board of Directors shall at any time be called upon the request of:

- a) the President, or
- b) the two Vice-Presidents, or
- c) five Directors.

5.3 Transaction of Business

Unless otherwise provided for by the Constitution, questions at any meeting of the Board of Directors will be decided by a majority of votes of all Directors present. In the case of an equality of votes the chairperson will have a second or casting vote.

The President will preside over all meetings of the Board of Directors. If the President is absent, one of the Vice-Presidents, chosen by the Directors will preside, and in their absence a Chairperson will be elected from amongst the Directors present.

6. EFFECTIVE DATE

This Policy is effective from 1 June 2024.