NCHA AUSTRALIA

BOARD CHARTER

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Forword

The National Cutting Horse Association continues to have a bright future. A non profit organisation, the NCHA is dedicated to the equine sport of cutting whether it be on a property or in the show arena. From its humble beginnings near Fort Worth, Texas in the USA in 1898, the sport has quickly developed into an internationally recognised event.

One of the most important functions of the National Cutting Horse Association is the improvement of cutting horse contests and maintenance of a complete record of these contests. Individual records are maintained on each competing horse and/or non-professional rider.

The association also sponsors and runs a number of major shows.

The NCHA is a life member of the R.S.P.C.A.

The NCHA is an Affiliate of the National Cutting Horse Association (USA), as a life member.

The association is run by nine elected directors consisting of:

- President
- Two Vice Presidents
- Director of Finance
- Five Directors

The present Standing Committees are:

- o Executive Committee
- o Major Shows Administration
- o Non Professional Administration
- o Judge Management Administration
- o Finance Administration
- o Affiliate Administration
- o Rule Management Administration
- o Marketing Administration
- o International Administration
- o Hall of Fame Administration
- o Professional Trainers Administration
- o N.Y.C.H.A.
- o Disciplinary Committee

Introduction

a) The National Cutting Horse Association of Australia is a public company limited by guarantee which is established to be, and to continue as, a not for profit (charity).

b) This Board Charter outlines the role and responsibilities of the Board in achieving the Purpose and sets out a framework for the administration of good practice in corporate governance.

c) A term or expression starting with a capital letter:

i. which is defined in the Dictionary in section 16, has the meaning given to it in that Dictionary;
and

ii. which is defined in the Constitution, but is not defined in the Dictionary, has the meaning given to it in the Constitution.

Role and Responsibilities of the Board

1.1 Role of the Board

a) The Board is responsible for the overall governance, management and strategic direction of the Company and for delivering accountable corporate performance in accordance with the Company's goals and objectives.
b) The Board's key objectives are to:
    i. advance the Company's Purpose and mission;
    ii. increase the Company's value to members and stakeholders within an appropriate framework; and
    iii. ensure the Company is properly managed.

1.2 Responsibilities of the Board

The responsibilities of the Board include:

a) providing strategic direction to the Company and deciding upon the Company's strategies and objectives in conjunction with the General manager;
b) monitoring the strategic direction of the Company and the attainment of its strategies and objectives in conjunction with senior management;
c) providing oversight of the overall corporate governance of the Company, including
    i. supervising the framework of control and accountability systems, including approving the delegations register;
    ii. conducting regular reviews of delegated authority to ensure the balance of responsibilities and division of functions between the Board and senior management remains appropriate for the Company;
    iii. oversight of the Company's risk management system, including setting risk tolerances and regularly reviewing the risk exposure and risk controls;
    iv. reviewing and ratifying appropriate and effective policies and codes of conduct for the Company.
d) oversight of the approach to enhancing the relationship with members and key stakeholders to facilitate their engagement in the activities of the Company;
e) ensuring the Company is properly managed, for example by:
    i. appointing and, where appropriate, removing the General manager;
    ii. approving the Company's remuneration and benefits policy, and remuneration for the General Manager, monitoring other key appointments and approving plans for executive succession;
    iii. overseeing and evaluating the performance of the General Manager, and through the General Manager, receiving reports on the performance of other senior staff in the context of the Company's strategies and objectives and their attainment;
    iv. having input into and final approval of management's development of the annual business plan and performance objectives.
f) approving the annual budget (including major capital expenditure), and acquisitions and divestitures in accordance with the Delegations Register; regularly reviewing and assessing the financial position and performance of the Company, and ensuring the continuing solvency of the Company.

g) approving and monitoring the achievement of non-financial objectives of the Company including environmental, social and governance objectives;
h) supporting management in developing a culture within the Company that aligns with the Purpose and promotes and enforces ethical behaviour;
    i. ensuring sound Board succession planning including strategies to assure the Board is comprised of individuals who are able to meet the responsibilities of being directors of the Company; and
    ii. (j) ensuring the Company complies with the Corporations Act, the ACNC Act and all other applicable laws.

Powers and duties

1.3 General powers

The Board is responsible for the governance, business and affairs of the Company and may exercise all the powers of the Company which are not required by the law or the Constitution to be exercised by the members.

1.4 Duties

The directors must comply with their duties as directors under legislation and common law, including with the duties described in Governance Standard 5 of the regulations made under the ACNC Act which are:

a) to exercise their powers and discharge their duties with the degree of care and diligence that a reasonable individual would exercise if they were a director of the Company;
b) to act in good faith in the best interests of the Company and to further the Purpose;
c) not to misuse their position as a director;
d) not to misuse information that they gain in their role as a director;
e) to disclose any perceived or material conflicts of interest;
f) to ensure that the financial affairs of the Company are managed responsibly; and
g) not to allow the Company to operate while insolvent.

Specific Responsibilities

1.5 Individual directors

a) Individual directors are responsible for ensuring the Board is performing its duties and responsibilities as set out in this Board Charter, the Constitution and otherwise by law.
b) Subject to the law, individual directors are required to:
    i. participate constructively in all Board activities;
    ii. consider all materials circulated to the Board;
    iii. demonstrate support for the Board's decisions even if the individual director voted against such decisions;
    iv. not do anything that damages, or is likely to damage, the reputation of the Company; and
    v. act as an advocate for the Company.
c) Individual directors are encouraged to:

i. promote the interests and profile of the Company, including within their networks and communities; and
ii. actively engage with the Company's stakeholders by, amongst other things, attending the Company's events.

d) (d) Individual directors must comply with any media policy of the Company in place from time to time and must not, without the prior consent of the NCHA president, speak in a formal capacity on behalf of the Company (including to the media).
e) (e) The duties and responsibilities of specific directors may be more fully set out in a separate role description for that director, which may be amended by the Board from time to time.

1.6 NCHA President

a) NCHA President will be appointed in accordance with rule 43.1 of the Constitution.
b) NCHA President has a role as the head of the Board in providing leadership of the Board and in the strategic direction of the Company.
c) NCHA President is responsible for the efficient organisation and conduct of the Board.
d) The key responsibilities of the NCHA President are set out in a separate role description for the NCHA President, which may be amended by the Board from time to time.

1.7 General Manager

a) The General manager is responsible for running the affairs of the Company under delegated authority of the Board and for implementing the policies and strategies that the Board sets.
b) The General manager must report to the Board in a timely manner and ensure all reports to the Board provide a true and fair view of the Company's condition and operating results.
c) The General manager must ensure that all transactions outside their delegation levels are referred to the Board for approval.

1.8 Company Secretary

a) The Company Secretary is responsible for ensuring the administrative and legislative requirements of the Company are carried out and supports the Board on all governance matters.
b) In accordance with rule 54 of the Constitution, the duties of the Company Secretary include:
i. ensuring that the necessary registers required by the law are established and properly maintained;
ii. ensuring that any required annual returns and annual reports are lodged with the appropriate regulator on time; and
iii. ensuring the organisation of, and attendance at, meetings of the directors, including the sending out of notices, the preparation of agenda and the compilation of minutes.

Board Composition and Meetings

1.9 Board composition

a) In accordance with rule 36.4 of the Constitution, the number of directors is nine or, in the event that the Board appoints a person pursuant to clause 36.3, ten.
b) The size of the Board is determined in accordance with the Constitution and can only be changed by a resolution of the members.
c) The People, Culture and Nominations Committee will review the composition of the Board periodically, and in any event no less than once every year, to ensure an appropriate mix of expertise, skills, diversity and experience to assist with the furtherance of the Purpose of the Company.
d) The Board may, from time to time, consider the desired Board composition and the mix of expertise, skills, diversity and experience to assist with the furtherance of the Purpose of the Company.

1.10 Meetings

a) In accordance with rule 44.1 of the Constitution, the directors will meet as often as required for the proper discharge of their directors' duties and in any event no less than three times per year.
b) In accordance with rule 44.4 of the Constitution, quorum for directors' meetings consists of a minimum of six directors.
c) Directors must strive to be present at all directors' meeting and actively participate. In accordance with rule 44.1 of the Constitution, a person will cease being a director if they fail to attend three or more consecutive directors' meetings in any 12 month period without a leave of absence approved by the directors.
d) Directors will receive relevant Board papers at a reasonable time before each meeting and must dedicate sufficient time to prepare for each meeting.
e) The NCHA president may request the attendance of any person at the meeting who is responsible for, or associated with, a matter included as an agenda item at a meeting. That person should be noted in the minutes for the meeting as an attendee and can speak at the meeting at the invitation of the NCHA president but does not have any voting rights.

1.11 Minutes

The Secretary, or another person appointed by the Board, will take minutes of the proceedings of all Board meetings.

Appointment of Directors

1.12 Appointment

a) Directors will be appointed or elected in accordance with rule 38 of the Constitution.
b) All appointment processes and decisions will be recorded by the Board, typically through the Secretary.
c) To be eligible for appointment as a director a person must satisfy the requirements set out in rule 38 of the Constitution.

1.13 Terms and conditions

a) All new directors appointed to the Board will receive a letter of engagement from the NCHA president , which sets out the basis of their engagement.
b) The letter of engagement will include a copy of all information and documentation relevant to the operations of the Board and that director's role, including this Board Charter and the Constitution.

1.14 Induction and briefings

All new directors will be given an induction, which may include meetings with the NCHA president and General manager and the provision of briefing materials in relation to the Company, its strategic direction, operations and finances.

1.15 Continuing education

a) In order to provide the Board with a broader understanding of the Company:
   i. from time to time the Board will be briefed by management regarding the Company and the factors affecting or likely to affect its activities; and
   ii. individual directors are encouraged to attend events and activities of the Company.
b) The Board is encouraged to keep up-to-date on relevant topical issues.

Delegations

1.16 Committees/ portfolios

a) The Board may, in accordance with rule 45.1 of the Constitution, resolve to establish one or more committees consisting of such persons as it determines to assist in the execution of its responsibilities.
b) The Board may resolve to:
    i. delegate to each committee such of its powers required for the effective and efficient running and administration of the committee;
    ii. revoke any or all of the powers delegated to each committee and vary the nature and scope of the powers delegated; and
    iii. change the makeup of a committee at any time or dissolve it all together.
c) The Board will adopt committee charters for each committee, addressing the membership, delegated authority, function and reporting obligations of the committee, and any other matters the Board determines.
d) The Board must regularly evaluate the operations of the committees.
e) The Board may continue to exercise all of its powers despite any delegation made under rule 45.6 of the Constitution.

1.17 Delegation to individuals

a) The Board may, in accordance with rule 25.3 of the Constitution, resolve to delegate any of its powers to such individual or individuals as it so determines including:
    i. to one or more directors; or
    ii. to one or more employees, including management of the Company.
b) The Board may delegate its powers for such time as it determines and may revoke or vary any power so delegated.
c) A person to whom any powers have been delegated must exercise the powers delegated in accordance with any directions of the Board.
d) The Board may continue to exercise all of its powers despite any delegation made under rule 25.3 of the Constitution.
e) A delegation under this rule need not be to a specified person but may be to any person from time to time holding, occupying or performing the duties of, a specified office or position.

1.18 Review of delegations

The Board should review the Company delegations at least once each year, and at any time there is a material change to the governance, operations or external regulatory environment of the Company.

Access to Information

1.19 Directors' access to senior management

a) Where a director considers it necessary to access senior management to properly discharge their duties, they must seek the approval of the NCHA president, which will not be unreasonably withheld.
b) The chair of any committee/portfolio may access the manager or staff member to whom that committee relates without prior approval of the NCHA president.

1.20 Directors' access to information

In addition to any access granted under the Corporations Act or the Constitution, the Company will, in accordance with any deed of access and indemnity entered into with a director:

a) maintain records of all Board documents, Company books and financial records securely at suitable premises; and
b) as soon as reasonably practicable after the receipt of a written request from a director, allow the director or his or her legal representatives to have access during business hours to, and to make copies of Board documents, Company books and financial records.

1.21 Independent professional advice

If a director considers it necessary to obtain independent professional advice to properly discharge the responsibility of the office as a director then, provided the director first obtains approval for incurring such expense from the Board, the Company will pay the reasonable expenses associated with obtaining such advice.

1.22 Confidentiality

a) Directors must keep all Board deliberations and decisions which are not publicly known confidential.
b) Any confidential information received by a director in their position as director must not be disclosed to any third party, unless authorised by the Board or required by law.

Indemnity and Insurance

a) In accordance with rule 59.2 of the Constitution, directors are indemnified by the Company for all losses or liabilities incurred by the director as a director of the Company including, but not limited to, a liability for negligence or for legal costs on a full indemnity basis.

b) This indemnity:

i. may only be for losses or liabilities incurred as an officer of the Company;

ii. does not cover any loss or liability of an officer seeking to be indemnified under this rule if that loss or liability arises from that person's wilful misconduct or fraud; and

iii. operates only to the extent that the loss or liability is not paid by insurance.

c) In accordance with rule 42.1 of the Constitution, to the extent permitted by law, the company must take out and pay for insurance for the benefit of its officers (both current and past) against any liability incurred by the person as an officer of the company including, but not limited to, a liability for negligence or for legal costs.

Remuneration and Expenses

a) Directors are not entitled to receive payment for acting as a director.
b) Subject to the requirements, directors are entitled to:
    i. be reimbursed for reasonable authorised expenses properly incurred by them in connection with the affairs of the Company; and
    ii. receive reasonable and proper payment for any goods supplied or services rendered to the Company (other than in their role as a director).

Conflicts of Interest

a) Directors are expected to appropriately identify, disclose and manage conflicts of interest in accordance with rule 42.1 of the Constitution and comply with the Company's Conflicts of Interest Policy and related procedures.
b) Directors must disclose all personal information and other matters that could, or do, give rise to a conflict of interest in relation to a matter or decision being considered by the directors.
c) Where a director has a material personal interest in a matter to be considered at a meeting, that director must not be present while the matter is being considered at the meeting or vote on the matter, unless the directors who do not have a material personal interest pass a resolution that:
    i. identifies the director, the nature and the extent of the director's interest in the matter and its relation to the affairs of the Company; and
    ii. states that those directors are satisfied that the interest should not disqualify the director from voting or being present.
d) Directors are required to sign a declaration which includes an undertaking to disclose conflicts of interest in a timely and appropriate manner.

Code of Conduct

a) The Board has adopted a Code of Conduct to ensure the affairs of the Company are conducted legally, ethically and with integrity.
b) Directors are expected to comply with the Code of Conduct.

Diversity and Inclusion Policy

a) The Board acknowledges the importance of diversity and inclusion within the Company and on its Board.
b) Directors are expected to comply with any Diversity and Inclusion Policy.

1.23 Diversity Policy

We recognise that discrimination is unacceptable and, although equality of opportunity has been a longstanding feature of our practices and procedure, we have made the decision to adopt a formal equal opportunities policy.

The Employer is dedicated to encouraging and promoting a supportive and inclusive culture amongst our employees to promote diversity and eliminate discrimination in our workplace.

We aim to ensure that all employees and applicants are provided with equal opportunity to ensure that our workplace is representative of
all sections of society, where every employee is respected and valued.

The purpose of this policy is to reinforce our commitment to provide equality and fairness to everyone in our workplace and not provide less favourable conditions or treatment on the grounds of age, disability, gender identity, marriage and civil partnership, pregnancy or maternity, race, religion or belief, sex or sexual orientation.

All employees regardless of their employment status will be treated fairly and with respect and when any candidate is selected for recruitment, promotion, training or any other benefit it will be done fairly and based on their aptitude and ability.

We will also give all our employees help and encouragement to develop their full potential and talents in order to ensure that the skills and resources of our workplace are fully utilised to maximise our performance and efficiency.

The Employer commits to the following actions: facilitating equal employment opportunities based on ability, performance and potential by:

- basing decisions on employment so as to further the principle of equal employment opportunity.
- engaging and retaining a diverse workforce (e.g. establishment of support groups for relevant groups of like-minded individuals);
- ensuring an inclusive recruitment and onboarding experience for individuals with a disability by tailoring activities to fit the individual's needs and
- increasing female, foreign and Aboriginal and Torres Strait Islander participation

in the workforce.

- establishing initiatives to support inclusive and flexible work practices (e.g. paid parental leave, flexible work arrangements); delivering diversity training for managers which will particularly include how to manage a diverse and inclusive team, awareness of unconscious bias and Equal Employment Opportunity (EEO).
- providing an accessible workplace to accommodate people with a disability to ensure a health and safe workplace for all individuals, including integrating disability inclusion into workflow planning, activities and procedures.
- delivering diversity and inclusion training for all staff.
- integrating diversity approaches into Talent, Leadership and Succession Plans.
- integrating diversity approaches into key processes including recruitment, training, performance management, rewards, communication, stakeholder engagement, procurement and product development; and
- building a safe workplace by acting against inappropriate workplace behaviour that does not value diversity and inclusion including

discrimination, harassment, bullying, victimisation and vilification.

All employees are also required to comply with these requirements and policy to promote fairness in the workplace by:

- complying with the provisions of this policy and supporting the Employer's diversity initiatives.
- treating all colleagues and customers with respect and professionalism, respecting different ways

of thinking and working to maintain a workplace that is inclusive and free from discrimination and harassment; and

- informing their manager of any breach or potential breach of this Policy.

Managers are responsible for:

- ensuring that the principles outlined in this policy are applied in the workplace.
- ensuring all decisions relating to appointment, promotion and career development are made in accordance with the principles outlined in this policy.
- providing an inclusive environment that celebrates and recognises the value of a diverse team.
- considering all staff requests that will help promote diversity in the workplace and make reasonable accommodations to these requests; and
- understanding key community stakeholders, delivery partner, customer and end user preferences, ensuring their team members are aware of, and behave in accordance with this policy.
- ensuring all staff are made aware of their obligations and responsibilities in relation to diversity and the behaviours expected by the Employer; and
- providing ongoing support and guidance to all staff in relation to diversity principles and practices.

Assessment of Performance

a) An evaluation of the effectiveness of the Board, its committees and individual directors will occur at least once a year, to identify opportunities to improve the Company's governance framework, decision making, effectiveness of meetings and to gain greater clarity of roles.
From time to time an independent review of the Board's effectiveness will be undertaken.
b) The evaluation process may include assessment against the requirements of this Board Charter, the Constitution, other relevant policies and procedures of the Company, and other criteria agreed by the Board.

Review of Board Charter

The Board must as needed, and in any event no less than once every three years, review the Board Charter and any committee charters and make any changes it determines to be necessary or desirable. The next NCHA board charter review will be applicable in 2027.

Dictionary

1.24 Dictionary

In this Board Charter:

a) ACNC Act means the Australian Charities and Not-for-profits Commission Act 2012 (Cth);
b) Board means the board of directors of the Company;
c) NCHA president means a person appointed to the position of President of the Board in accordance with rule 43.1 of the Constitution;
d) Code of Conduct means a code of conduct adopted by the Board, as amended from time to time;
e) Company means The Sax Institute (ABN 68 095 542 886);
f) Constitution means the constitution of the Company;
g) Corporations Act means the Corporations Act 2001 (Cth);
h) Delegations Policy means a delegations policy adopted by the Board, as amended from time to time;
i) Diversity and Inclusion Policy means a diversity and inclusion policy adopted by the Board, as amended from time to time;
j) People, Culture and Nominations Committee means the committee established by the Board to advise and assist on matters relating to the director nominations and remuneration for the Company, formulation and review of relevant people policies and practices, and development of a culture within the Company that aligns with its vision and mission;
k) Purpose means the purpose of the Company as set out in rule 3.1 of the Constitution; and
l) Secretary means a person appointed to the position of secretary of the Company in accordance with rule 9(a) of the Constitution.

1.25 Interpretation

In this Board Charter the following rules of interpretation apply unless the contrary intention appears:

a) the words ‘such as’, ‘including’, ‘particularly’ and similar expressions are not used as, nor are intended to be, interpreted as words of limitation;
b) headings are for convenience only and do not affect the interpretation of this Board Charter;
c) the singular includes the plural and vice versa;
d) words that are gender neutral or gender specific include every other gender;
e) where a word or phrase is given a particular meaning, other parts of speech and grammatical forms of that word or phrase have corresponding meanings;
f) a law includes a constitutional provision, treaty, decree, convention, statute, regulation, ordinance, by-law, judgment, rule of common law or equity and is a reference to that law as amended, consolidated or replaced; and
g) if there is any conflict between this Board Charter and the Constitution, the terms of the Constitution will prevail.