



# **National Roads and Motorists' Association Limited**

## **Board Charter**

Adopted by the Board on 19 June 2024

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## 1. INTRODUCTION

This Board Charter (*Charter*) sets out the role, structure, responsibilities and operation of the Board of Directors (*Board*) of National Roads and Motorists' Association Limited (*NRMA*).

This Charter supersedes the Board Charter approved by the Board on 14 December 2016.

## 2. ROLE AND RESPONSIBILITIES OF THE BOARD

The role of the Board is to provide leadership, strategic guidance and oversight for NRMA and its subsidiaries (*NRMA Group*). Under the NRMA Group's governance structure, the board of directors of certain subsidiaries of NRMA (each, a *Subsidiary Board*) has, subject to certain exceptions, delegated some or all of that Subsidiary Board's powers in respect of management and control of the business and affairs of that subsidiary to the Board of NRMA, and authorised the Board of NRMA to sub-delegate all or any of such powers.

The Board is accountable to the members of NRMA (*Members*) for the governance and performance of the NRMA Group.

In performing its role, the Board must act with due care and diligence, in good faith and in the best interests of the NRMA Group as a whole. Directors must bring to bear their relevant skills, knowledge, experience and perspective in Board discussions.

The key responsibilities that the Board has reserved to itself (some of which it may have delegated to a Board Committee – see Section 3 below) are:

- a) with the input of management, setting the NRMA Group's strategic direction and goals, monitoring management's implementation of that strategy and reviewing management's performance against the strategic goals set;
- b) approving the NRMA Group's business plan and annual budget, and monitoring management's implementation of the approved business plan and adherence to the approved budget;
- c) approving the appropriate culture for the NRMA Group and the plan to achieve it, and monitoring the implementation of that plan;
- d) appointing and removing the Group Chief Executive Officer (*Group CEO*), approving the Group CEO's appointment terms, determining the Group CEO's performance objectives and evaluating the Group CEO's performance in light of those objectives, and determining any termination payments made to the Group CEO which are in excess of those set out in their appointment terms;
- e) appointing and removing the Company Secretary;
- f) appointing any Appointed Director and any director to fill any casual vacancy on the Board;

- g) approving succession plans for the Group CEO and Board;
- h) approving the NRMA Group's remuneration strategy;
- i) approving the structure of the Group CEO's and Direct Reports performance-linked incentive schemes;
- j) approving the NRMA Group's annual statutory financial reports and statements;
- k) approving the NRMA Group's overall risk management framework and risk appetite statement, and monitoring the effectiveness of risk management and regulatory compliance by the NRMA Group;
- l) satisfying itself that appropriate controls, monitoring and reporting mechanisms are in place;
- m) overseeing the integrity of the NRMA Group's accounting and financial reporting systems, including liaising with the external auditors;
- n) reviewing any matters pertaining to the appointment, termination or replacement of the external auditors (including making any recommendations for approval by Members);
- o) approving, and monitoring compliance with, key policies (including the workplace safety, and data governance and cyber security policies for the NRMA Group);
- p) approving any significant changes to the Investment Policy Statement;
- q) approving expenditure, commitment or transactions above the limits of authority delegated to the Group CEO and management;
- r) approving any changes to the overall governance structure or corporate structure of the NRMA Group, having regard to maintaining NRMA's corporate governance reputation and future corporate sustainability;
- s) reviewing any proposed amendments to NRMA's constitution (*Constitution*), and making recommendations for approval by Members;
- t) approving rules and other matters that are consistent with the Constitution for, or about, the conduct of the election of Directors;
- u) approving the strategic advocacy plan, and setting, overseeing and reviewing the effectiveness of NRMA's advocacy and public policy positions; and
- v) reviewing any proposals by management that have significant implications for the NRMA Group or have significantly different direction than previously approved advocacy positions.

Subject to any limitations imposed by law, the Board remains free to alter the matters reserved to itself.

In discharging these responsibilities, Directors are bound by and must comply with the *Corporations Act 2001* (Cth), the Constitution and all charters, policies and codes of conduct in force from time to time, including but not limited to:

- this Charter;
- all Board Committee charters;
- the Code of Conduct for Directors; and
- the Code of Conduct which applies to employees and Directors.

Directors must commit to the collective decision-making processes of the Board. Individual Directors are required to respect the contributions of other Directors and strive to understand their perspectives and contributions to Board debate. Directors will debate issues openly and constructively and be free to question or challenge the opinions presented at meetings.

### 3. BOARD COMMITTEES

The Board may establish such committees as it considers appropriate to assist in the discharge of its responsibilities, and may determine such committees' scope, objective and membership.

The standing committees that the Board has established (*Board Committees*) to assist it with some of its responsibilities are:

- Audit and Risk Management Committee;
- Finance and Investments Committee;
- Governance, Compensation and Nomination Committee; and
- Policy and Advocacy Committee.

The Board has delegated to each Board Committee the powers and authority set out in the relevant Board Committee charter. The Board may make other delegations to the Board Committees from time to time.

The Board Committees are accountable to the Board for the exercise of their delegated authority, and will review their performance periodically and report the outcome of the review to the Board.

### 4. GROUP CEO

The Board has delegated to the Group CEO, subject to certain qualifications, power to manage and control the day-to-day business and affairs of the NRMA Group.

Without limiting the above, the responsibilities of the Group CEO include:

- a) developing business plans, budgets and strategies for consideration by the Board and, to the extent approved by the Board, implementing those plans, budgets and strategies;

- b) managing the human resources and other resourcing levels within each business unit;
- c) identifying and managing risks affecting the NRMA Group businesses;
- d) approving budgeted expenditure and certain out-of-budget expenditure up to specified limits; and
- e) exercising any of the powers given to the Board under the Constitution connected with the administration of membership of NRMA.

The Group CEO is accountable to the Board for the exercise of the Group CEO's delegated authority from the Board. The Board and, as relevant, Board Committees must be appropriately and fully informed on all material issues.

The Group CEO is authorised to sub-delegate to other employees any of the Group CEO's delegated authority.

## 5. BOARD STRUCTURE AND COMPOSITION

Pursuant to the Constitution, the structure and composition of the Board are as follows:

- a) the maximum number of Directors is 9;
- b) one Director is elected for each of the 6 regions by Members;
- c) the Board may appoint up to 3 Directors (*Appointed Directors*); and
- d) the Board may fill any casual vacancies.

The Board will periodically (but at least every two years) review the mix of skills, expertise and diversity required on the Board. In approving any Appointed Director or a Director to fill a casual vacancy, the Board will consider the balance of skills, experience, expertise and attributes for Board effectiveness, diversity of the Board, ability of the candidate to devote the necessary time and commitment to the role, and any potential conflicts.

## 6. ROLE OF THE CHAIR

The Board is responsible for electing one of its members as the Chair.

The responsibilities of the Chair are principally to:

- a) establish the agenda for Board meetings in consultation with the Group CEO and the Company Secretary;
- b) act as the main point of contact and communication between the Board and the Group CEO, ensuring that the Board's views are communicated clearly and accurately;
- c) represent the Board to Members, ensuring that the Board's positions are communicated clearly and accurately;
- d) act as counsellor and mentor to the Group CEO;

- e) represent and promote the NRMA Group's policies in external meetings with the public, governments or other bodies, as authorised or requested by the Board or Group CEO or delegate;
- f) protect the NRMA Group's policy of non-alignment with any political party;
- g) preside over Board and General Meetings of NRMA;
- h) provide effective leadership of the Board;
- i) ensure that the Board is well informed and effective, that the Directors, individually and as a group, have the opportunity to air differences, explore ideas and generate the collective views and wisdom necessary for the proper operation and governance of the Board and the NRMA Group;
- j) set a standard for Board members in terms of attendance at meetings and prior familiarity with Board Papers distributed and issues to be raised;
- k) ensure that Board meetings are conducted professionally, competently, ethically and in an open fashion consistent with a transparent culture; and
- l) ensure that General Meetings are conducted efficiently and effectively and that the Members as a whole have reasonable opportunity to air their views and obtain answers to their queries.

## **7. COMPANY SECRETARY**

The Board must appoint at least one Company Secretary.

The Company Secretary is responsible for the co-ordination of all Board business and is accountable to the Board, through the Chair, on matters to do with the proper functioning of the Board.

## **8. BOARD MEETINGS**

The Board will meet at least 6 times per financial year and as often as is necessary to fulfil its responsibilities.

As necessary or desirable, the Board may invite members of management, internal audit, representatives of the external auditor or other external advisers to be present at Board meetings.

## **9. REVIEW OF PERFORMANCE**

The Board will conduct, on a regular basis (but at least every three years), a review of its performance as a Board, and the performance of Board Committees and individual Directors. The method and extent of that review is for the Board to determine from time to time.

**10. REVIEW OF CHARTER**

The Board will review this Charter at least every five years to ensure it remains current to the needs and structure of NRMA. This Charter may only be amended by a resolution of the Board.