

Introduction for Board

This Board charter is framed around recommendations from the Australian Institute of Company Directors and is based around four key areas:

- A. Governance roles and functions
- B. Board processes
- C. Key Board functions
- D. Continuing improvement

This Board Charter (Charter) sets out the role, responsibilities, expectations, structure and processes of the Board of Tourism Tropical North Queensland Limited (the Company).

Policy should not be treated as a static and decided matter. Governance policy should evolve with the organisation and the context in which it operates. As such, this is a living document that only has value if it is implemented as a matter of course and is consistent with Board and organisation actions and values.

1. GOVERNANCE ROLES

a) Board Roles

The directors are responsible to the members and other key funding partners for the performance of the Company in both the short and the longer term and seek to balance these sometimes-competing objectives in the best interests of the Company as a whole.

Their focus is to enhance the interests of members (as far those interests are consistent with the broader interests of the Company), other key stakeholders and the broader tourism industry and to ensure the Company is properly managed. The Board draws on relevant corporate governance best practice principles to assist it to lead and contribute to the performance of the Company. The functions of the Board include:

- Review and approval of corporate strategies, the annual budget and financial plans;
- Prioritising strategy according to the finite resources of the organisation and prevailing context;
- Overseeing and monitoring organisational performance and the achievement of the Company's strategic goals and objectives;
- Monitoring financial performance and liaison with the Company's auditors;
- Appointment of, and assessment of the performance of, the Chief Executive Officer (CEO);
- Ensuring there are effective management processes in place and approving major corporate initiatives;
- Stakeholder engagement;
- Enhancing and protecting the reputation of the Company;
- Ensuring any significant risks facing the Company have been identified and appropriate and adequate control, monitoring and reporting mechanisms are in place;
- Reporting to members and other key stakeholders/partners.

b) Board Code of Conduct

Refer Appendix A at the end of this document.

c) Role and requirements of individual directors

Company Directors have responsibility for the overall successful operation of the organisation. Directors should consider undertaking at a minimum the following activities to ensure they keep up to date with the organisation's business and contribute effectively to the Board:

- Allow adequate time to read Board papers thoroughly.
- Work as a team with fellow Board members.
- Be prepared to contribute to discussions and to ask questions in Board meetings.
- Do not allow a topic of discussion to be closed while there are still matters of substance outstanding.
- Ensure attendance at all Board meetings and any meetings of committees to which one belongs.
- Be informed about the industry sectors and broader context in which the organisation is operating.
- Keep up to date with the organisation's operations and the context in which it operates, including broader economic, social, political and environmental conditions.
- Have a working understanding of company accounts and associated financial management, if necessary, seek professional guidance on how to understand them.
- Observe the highest standards of ethical behaviour.
- Support and encourage policies within the Company which require Directors and employees to observe high standards of personal integrity and display honesty in their dealings.
- Ensure all papers and discussions at Board level are kept confidential unless specifically identified as for public release.

d) Conflicts of Interest

Directors must disclose to the Board actual or potential conflicts of interest which may exist or might reasonably be thought to exist between the interests of the Director, the organisation and any other person and/or organisation, in carrying out the activities of the organisation. If a Director cannot or is unwilling to remove a conflict of interest, then they may need to absent themselves from the room when the Board is discussing matters about which the conflict relates. This entry and exit should be minuted. Directors will indicate to the Chairman any potential conflict of interest situation as soon as it arises.

e) Role of the CEO

The Board will carry out its activities through the CEO and delegate to the CEO specific powers and responsibilities. Delegations to the Chief Executive as stated in a statement of "delegations of authority" contained in the Policies & Procedures directory and will be reviewed from time to time.

The Board has delegated to the CEO responsibility for:

- Developing and implementing corporate strategies;
- Senior management selection and performance review;
- Developing the annual budget and managing day to day operations within budget;
- Maintaining an effective risk management framework;
- Keeping the Board, membership and key stakeholders fully informed about material developments;
- Managing day-to-day operations in accordance with standards for social, ethical and environmental practices, as set by the Board.

f) Role of the Chair

The Chair is elected by the Board and will sometimes have served as a director prior to appointment. The Chair will be the spokesperson for the organisation at the Annual General Meeting and in conjunction with the CEO for all other public relations requirements.

As Chair, the key tasks expected are:

- Leadership and effective engagement and performance of the Board;
- Oversee accurate and timely information dissemination to the Board from the CEO and management;
- Establish Board protocol and observe standards of good corporate governance;
- Ensure adequate opportunity for contribution and engagement from directors and ensure relations between Board members and the CEO are open, cordial and conducive to productive cooperation;
- Arrange regular evaluation of the performance of the Board, Committees and the CEO;
- Set the timing and agenda of the Board Meetings in conjunction with the CEO;
- Provision of guidance and direction for the CEO;
- External Industry leadership and representation

g) Role of the Company Secretary

The company secretary conforms to the roles required of an officer of a public company limited by guarantee. This includes legal and financial requirements of ASIC and other governing bodies. As well the Company secretary:

- Advises the Board and its committees on governance matters;
- Monitor to ensure that Board and committee policy and procedures are followed;
- Ensures, either personally or by oversight, that the business at Board and committee meetings is accurately captured in the minutes; and
- Helps to organise and facilitate the induction and professional development of directors.

h) Board structure

Details of the members of the Board, their qualifications, term of office and independence status are set out in the directors' report under the heading "Directors". The Board operates in accordance with the principles set out in the Company's constitution, including:

1. The Board is comprised of not less than 8 and not more than 9 directors.
2. The Chair of the Board is elected by the full Board.
3. There shall be 4 elected directors. The Board has the power to appoint up to 5 additional directors including the Chair in accordance with the provisions of the "Constitution" *(endorsed 8 December 2022)*.

Collectively, the membership of the Board should possess:

- A thorough understanding of the core activities of TTNQ, the tourism industry and trade and consumer marketing;
- Strong business acumen and management skills;
- A high level of competency in financial and operational reporting;
- A high level of understanding of best practice employee relations, industrial relations and remuneration and motivation concepts;
- A broad range and diversity of relevant experience
- An inquiring attitude, objectivity and independence; and a strong, demonstrated sense of probity and ethical conduct.

The Board will periodically review the structure of the Board and make relevant recommendations to the members of the Company regarding changes to the Company's constitution where necessary.

2. BOARD PROCESSES

a) How are meetings to be run

Meeting Code of Conduct. Refer Appendix B at the end of this document.

b) Agenda development and implementation

The Chair and the CEO liaise on agenda development and any supporting papers required. The Chair will ensure that the items included are relevant and to liaise with the CEO on presentation. Additional items for the agenda from directors are to be advised to the Chair at least 3 weeks prior to a Board meeting for inclusion. Individual directors will liaise with the chair direct if they wish any matter to be included on the agenda.

c) Board paper collation and distribution

The CEO collates Board papers, liaising with the Chair on any discussion or decision papers required. These are distributed electronically 7 days prior to the Board meeting (preferably by Board-only accessed digital portal to preserve confidentiality).

d) Minute keeping and distribution

Minutes are recorded at the meeting by the designated minute keeper (either Company Secretary or Executive Assistant) and are distributed to the Board within a week of the meeting for review and confirmation and signing by the Chair.

e) Annual Board calendar

This is updated annually and is stored, along with other Board documents in a Board-only accessed digital portal and identifies the governance requirements at various times of the annual cycle.

f) Committees

The Directors may delegate any of their powers to committees consisting of such member or members of their body as they think fit. Any committee so formed shall in the exercise of the powers so delegated conform to any regulations that may be imposed on it by the Directors.

Standing Committees include the Finance, Audit and Risk Management Committee and the Human Resource Committee. A Charter for each committee is approved by the Board.

The purpose of the Finance, Audit and Risk Management Committee is to assist the Board in fulfilling its responsibilities as they relate to:

- a) The financial reporting process;
- b) The existence and maintenance of internal controls and accounting systems;
- c) Internal and External audits
- d) Corporate governance
- e) Risk Management and Workplace Health & Safety compliance

The purpose of the Human Resource Committee is to assist the Board in fulfilling its responsibilities as they relate to:

- a) Human resource and industrial relations matters;
- b) CEO appointment, performance and remuneration
- c) Board skills and director nomination
- d) Succession
- e) Whistleblower management

From time-to-time temporary committees may be formed on an as-needs basis.

g) **Board Communications (updated and stored on Board-only accessed portal)**

- Storage of Board-only documents such as governance calendar, constitution, Board charter, and other documents for Board review or reference
- Digital access between Board meetings
- Distribution of Board papers
- Phone calls, email and contact list

3. BOARD GOVERNANCE FUNCTIONS

a) **Strategy development**

Annually, the Board, in conjunction with the CEO, is responsible for strategy review and development and oversees the development of the annual Strategic Plan, as well as reviewing outcomes of the current year's Strategic Plan and setting Performance Indicators for the coming year. The management team will then develop underpinning Action Plans to execute strategy and, in conjunction with the Finance, Audit and Risk Management Committee, the annual financial budget.

The standard annual strategic planning cycle is:

- The Senior Management Team presents a review of the current plan, including projected results against Performance Indicators to the Board.
- A Board and Senior Management Workshop to discuss this review and set coming year Performance Indicators is held annually or as required by the currency of the current plan and context.
- This workshop also reviews the overall directions and structure of the Business Plan.
- Final Strategic Plan and Budget approved by the Board in May.
- Half year Strategic Plan review and Budget Recast presented to the Board for discussion and approval in December.

The annual planning cycle may vary from year to year, with major reviews and extended workshops every few years. As well, strategic discussions will be an important part of each Board meeting, with open discussion of current context and the alignment of the current plan to opportunities and threats. The Board also contributes input to a periodically updated context analysis that helps inform management and Board decision making.

b) **Risk Management**

The company maintains a Risk Management Framework which includes a Risk Appetite Statement. Risk should be considered as an inherent part of all Board discussions around performance, strategy and decision options in alignment to the Board's Risk Appetite.

c) Compliance

The CEO is charged with implementing appropriate compliance systems within the organisation and reporting to the Board on any area of risk or issues of concern.

Areas for coverage include:

- Financial solvency
- Workplace Health & Safety
- Environment
- Trade practices
- Award/IR requirements
- Insurance
- Anti-discrimination
- Privacy
- Cyber Security
- Psychosocial Risk Management

d) Use of Artificial Intelligence (AI)

The Board acknowledges that artificial intelligence (AI) technologies can provide operational efficiencies, support evidence-based decision-making, and enhance the organisation's ability to deliver on its mission. When used appropriately, AI may assist with tasks such as data analysis, administrative automation, and improved member services. Any use of AI within the organisation must align with its values, strategic priorities, and commitment to serving its members and the community.

Governance and Ethical Oversight

The Board is responsible for ensuring that AI tools are used safely, transparently, and ethically. This includes safeguarding privacy, maintaining the security of organisational and member information, and monitoring potential risks such as bias, misuse, or over-reliance on automated systems. The Board will require that staff and volunteers using AI do so with appropriate training and oversight, and that all AI-assisted activities remain subject to human review, accountability, and final decision-making. The organisation will periodically review its AI practices to ensure they comply with legal, regulatory, and ethical standards.

e) Policy development

Policy development is part of the forward planning framework for Board and operating decisions. This relates to creating a formal structure for corporate culture, including alignment to values and goals, fair remuneration policy, financial structures and accountability and budgets.

f) Monitoring and oversight (financial and non-financial)

In order to monitor the organisations' performance, the Board Papers, distributed at least 7 days prior to the Board Meeting, will report against the Performance Indicators and income and expenditure targets contained in the Strategic Plan and budget. The Board will in addition monitor:

- Staff numbers and productivity
- Membership/key stakeholder satisfaction
- Working capital and cash reserves

It is important that directors understand the distinction between Board policy and operational policy and leave operational policy to management to develop and implement.

If a director has a concern with any operational matters, they should refer it initially to the Chair and expect a satisfactory response. The Chair may refer the director to the CEO. If there is disagreement or concerns regarding real or perceived conflict of interest issues the CEO should not pass judgement on the matter at hand. It should be referred back to the Chair who will consult with the Chair of the FARMC to resolve.

g) Managing stakeholders (members and funders)

The CEO is the primary spokesperson for the organisation, in conjunction with the Chair during the CEO absence or during crisis communications. The CEO and Chair will also be the primary liaison with funders and key stakeholders.

Should a member approach a Director with an operational issue that is within the province of the CEO's responsibility, the Director should undertake to contact the CEO and request they contact the member to resolve. Directors should document any operational issues raised with the CEO, preferably via email. No discussion on matters raised at Board meetings should be discussed with members other than those confirmed for public disclosure at each Board meeting.

h) Succession planning and CEO selection, oversight and remuneration

The Human Resource Committee has delegated authority from the Board for CEO recruitment, performance evaluation remuneration and succession planning.

4. CONTINUING IMPROVEMENT

a) Delegations

The CEO has authority for expenditure in accordance with the Business Plan, approved budget and delegations of authority approved by the Board. The CEO also has authority to appoint staff within the funding limits approved in the Business Plan and Budget.

Full details of delegated authorities are contained in the Policies and Procedures directory and are reviewed by the Board on an annual basis.

b) Succession processes

The process by which succession of CEO, Chair and overall Board composition is assessed, and implemented will ideally be reviewed on an ongoing basis to ensure both best practices, and that the process is rigorous, transparent and ensure the best possible talent is attracted to the organisation.

c) Board development, education, individually and as a group

Board directors are encouraged to further their self-development as directors. Ideally this would include becoming a member of the Australian Institute of Company Directors and undertaking the self-evaluation tool on an annual basis. Attending workshops and where possible, undertaking the Company Directors course is highly recommended, both for this role and for any other directorships. Where possible, the Chair will arrange group learning opportunities.

d) Directors will adhere to the following protocol when seeking information:

Approach the CEO. If this is unsuccessful, discuss the issue with the Chair. If a resolution is still not forthcoming, write a letter to all Board members and the CEO detailing the information required, and asking for the matter to be listed and decided at the next Board meeting.

e) Director indemnity and insurance

The company provides an indemnity to directors and maintains a director's liability insurance policy.

Directors can, with the prior approval of the Committee Chair, procure professional advice, at TTNQ expense, on matters related to their responsibilities as a Director.

f) Board induction process

The Chair will induct incoming directors to the organisation, covering all matters contained in this charter with the assistance of the Company Secretary / CEO.

VERSION CONTROL

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APPENDIX

Appendix A

Board Code of Conduct

- A Director must act honestly, in good faith and in the best interests of the company as a whole.
- A Director has a duty to use due care and diligence in fulfilling the functions of office and exercising the powers attached to that office.
- A Director must use the powers of office for a proper purpose, in the best interests of the company as a whole.
- A Director must recognise that the primary responsibility is to the company's shareholders as a whole but should, where appropriate, have regard for the interests of all stakeholders of the company.
- A Director must not make improper use of information acquired as a Director.
- A Director must not take improper advantage of the position of Director.
- A Director must not allow personal interests, or the interests of any associated person, to conflict with the interests of the company.
- A Director has an obligation to be independent in judgement and actions and to take all reasonable steps to be satisfied as to the soundness of all decisions taken by the Board of Directors.
- Confidential information received by a Director in the course of the exercise of Directorial duties remains the property of the company from which it was obtained, and it is improper to disclose it, or allow it to be disclosed, unless that disclosure has been authorised by that company, or the person from whom the information is provided, or is required by law.
- A Director should not engage in conduct likely to bring discredit upon the company.
- If an issue arises about the CEO's actions or conduct it should be referred to the Chair.
- If a director who is also a member, member representative or has any dealings with TTNQ they or their associates must conduct dealings in an arm's length fashion with the directorship having no role or influence in the matter. If the director or management have any concern that the dealings may raise a conflict of interest, the matter should be raised with the Board Chair or alternatively the FARM Committee Chair and may need to be presented at the next Board meeting.

Appendix B

Meeting Code of Conduct

Everyone must arrive before the scheduled time to start.

(Please switch off mobiles, but if essential to keep on, please advise Chair and switch to silent. Texting and emailing during a meeting should only occur if unavoidable).

- All discussions and Board papers are confidential and are not to be disclosed beyond the boardroom. Access to the digital Board portal is strictly for your own personal use. Please ensure that your Board papers, if printed, are not viewed by others.
- Address issues, not personalities.
- Focus on what is right, rather than who is wrong.
- No matters should be raised or mentioned that are within the proper remit of a management team meeting.
- During discussions, three minutes is enough time to make a point.
- Verbally supported presentations should be limited to five minutes.
- Keep to the point - don't be ambiguous or go off the topic being discussed.
- Avoid the use of technical terms others may not understand.

- It is inappropriate to use Board meetings to demonstrate superior intellect, knowledge or excellence.
- The CEO or other members of staff must not inhibit executive directors from expressing alternative views to his or her own.
- When presenting or introducing a topic, assume everyone has read the Board papers and never repeat what is in writing.
- Speak slowly and economically - brevity is a virtue.
- During discussions and presentations, listen attentively and display interest in what is being said.
- Be positive and constructive, rather than negative and destructive - only disagree by making a constructive suggestion.
- Do not be discouraged from expressing a contrary view - even to that of the majority of directors.