



**WENTWORTHVILLE LEAGUES CLUB  
LOCAL IMPACT ASSESSMENT 1  
APPENDIXES 1-9**

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**October 2010**





## Appendix 1

Wentworthville Leagues Club Ltd Board Charter Foundation, Directors and  
Secretary's rights and responsibilities

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## **EXTRACT OF BOARD CHARTER**

**Pertaining to the Foundation, Directors and Secretary's  
Rights and Responsibilities**

### **Board Charter**

Wentworthville Leagues Club Ltd

Approved by the Board: September 2008

## 1. DEFINITIONS

The following definitions apply in this Charter unless the context clearly requires otherwise:

**Authority** means the Casino, Liquor & Gaming Control Authority;

**Board** means the board of directors of the Club;

**Charter** means this Board Charter;

**Club** means Wentworthville Leagues Club Ltd ABN 25 000 244 459;

**Constitution** means the Constitution of the Club as amended from time to time;

**Corporations Act** means the Corporations Act 2001;

**Director** means a person who is a member of the board of directors of the Club;

**Member** means a member of the Club;

**RCA** means *Registered Clubs Act 1976*; and

**Secretary** means the Secretary/Manager of the Club.

## 2. THE FOUNDATION OF THE CHARTER

2.1 Directors have legal obligations and responsibilities to the Club, its Members, its creditors and other stakeholders. This Charter refers to only some of the legal duties and obligations of Directors and in a general way.

2.2 A person who accepts the office of a Director accepts the responsibilities of reasonable care, honesty, impartiality, confidentiality and loyalty. These responsibilities include acting collectively to manage the business and affairs of the Club through the Secretary.

2.3 A person who accepts the office of a Director of the Club also acknowledges that they must carry out their duties to the same standard expected from a Director of any other public company.

## 3 CHARTER

3.1 The Board is the governing body of the Club.

3.2 This Charter sets out the role and conduct of the Board and is in addition to principles set out in the *Clubs NSW Best Practice Guidelines 2008* which are endorsed by the Board.

3.3 The Board undertakes to apply this Charter in a manner which encourages the responsible behaviour of Directors and management.

3.4 This Charter is supported by the following charters and policies:

3.4.1 Code of Conduct;

3.4.2 Audit, Risk & Compliance Committee Charter;

3.4.3 Sponsorship Committee Charter;

3.4.4 Remuneration Committee Charter;

3.4.5 Property & Investment Committee;

3.4.6 Risk Management Policy;



3.4.7 Responsible Conduct of Gaming Policy;

3.4.8 Responsible Service of Alcohol Policy;

3.4.9 Privacy Policy; and

3.4.10 Smoking Policy.

3.5 The Board is committed to:

3.5.1 promotion of the Club's objects as set out in the Constitution;

3.5.2 the delivery of sustainable long-term facilities and services to Members while recognising the interests of its employees, staff, suppliers and other stakeholders;

3.5.3 high standards of honesty, integrity and legal compliance in its dealings with all stakeholders; and

3.5.4 affinity with Members and other stakeholders.

#### 4 DIRECTORS DUTIES

4.1 Directors have duties under the "common" or general law and under legislation.

4.2 As the Club is a company with "limited liability", Directors who act in good faith and with reasonable care and diligence will not generally be personally liable for the acts or omissions of the Club, including the acts or omissions of the Board or of another Director. However, in some situations (such as insolvency of the Club), Directors may be personally liable for their acts or omissions. An increasing amount of legislation now imposes personal liability and penalties on an individual Director.

4.3 A Director must act with the degree of care and diligence that a reasonable person would exercise if they were a director of a company in the Club's circumstances. This includes:

4.3.1 making each decision in good faith and for a proper purpose;

4.3.2 not having a "material personal interest" in the decision;

4.3.3 informing themselves about each matter under consideration to the extent they reasonably believe to be appropriate; and

4.3.4 rationally believing that each decision is in the best interests of the Club.

4.4 Some important obligations under the Corporations Act are summarised as follows:

| Section     | Obligation   | Penalty for Breach  |
|-------------|--|---|
| Section 180 | A Director must make decisions with due care and diligence.  | Penalties of up to \$200,000 may be imposed and the Director may be disqualified. |
| Section 181 | A Director must carry out their duties and exercise their powers in good faith in the best interests of the Club and for a proper purpose. | As above.   |

| Section        | Obligation  | Penalty for Breach                        |
|----------------|---|---|
| Section 182    | A Director must not improperly use their position to gain an advantage for themselves or another person, or cause detriment to the Club.                                  | As above.                                 |
| Section 183    | A Director must not use information they gained as a Director to gain an advantage for themselves or another person, or cause detriment to the Club.                      | As above.                                 |
| Section 184(1) | A Director commits an offence if they are reckless, dishonest or fail to carry out their duties in good faith in the best interests of the Club and for a proper purpose. | 2,000 penalty units and/or 5 years prison |

4.5 Although each Director must primarily:

- 4.5.1 act in the best interests of the Club and its Members; and
- 4.5.2 use their best efforts to ensure that the Club is properly managed and constantly improved,

In some circumstances it is appropriate for Directors to consider interests of other stakeholders (for example, creditors as the Club is not permitted to trade if insolvent), other applicable law (for example, environmental protection and planning law) and the community in which the Club operates.

4.6 The role of the Board is also to:

- 4.6.1 protect and enhance the interests of the Members;
- 4.6.2 bring an objective view to the Club's decisions;
- 4.6.3 oversee the performance and activities of the executive management team;
- 4.6.4 evaluate the performance of the Secretary and the executive management team;
- 4.6.5 oversee risk management and legal compliance and corporate governance; and
- 4.6.6 oversee stakeholder communications.

4.7 In fulfilling its role the Board's primary functions are to:

- 4.7.1 uphold the Constitution;

- 4.7.2 establish and promote the Club's strategic vision, values and ethical standards;
- 4.7.3 formulate and establish policies for the proper management and operation of the Club;
- 4.7.4 delegate appropriate authority and responsibilities to the Secretary;
- 4.7.5 maintain high standards of legal and regulatory compliance;
- 4.7.6 ensure effective controls are in place to protect the Club's assets and to minimise vulnerabilities and risk; and
- 4.7.7 ensure robust corporate governance (including making certain that the Club has effective processes and systems in place to enable the Board to monitor performance, review strategy and oversee the management of risk).

4.8 In carrying out the Board's primary functions, the Board must:

- 4.8.1 approve yearly accounts and report to members at an Annual General Meeting at least once every year;
- 4.8.2 determine the Club's ongoing capital management needs;
- 4.8.3 approve and monitor progress of major investments, capital works, acquisitions and divestitures;
- 4.8.4 approve and monitor compliance with the Club's legal framework/environment and policies
- 4.8.5 set appropriate remuneration policies;
- 4.8.6 appoint, set criteria and monitor the ongoing performances of the executive management team (including the Secretary);
- 4.8.7 appoint the external auditor; and
- 4.8.8 appoint other professional advisors it deems appropriate in circumstances where the Board believes that it does not have the requisite degree of knowledge or experience.

## 5 DIRECTORS' RIGHTS AND RESPONSIBILITIES

5.1 Each Director must:

- 5.1.1 act at all times in the best interest of the Club and in accordance with all applicable law;
- 5.1.2 devote sufficient time to Board responsibilities;
- 5.1.3 exercise independent judgment in fulfilling their role as a Director;
- 5.1.4 be fully aware of the imperative to deliver sustainable high quality services to the Members in accordance with the *Clubs NSW Code of Conduct & Best Practice Guidelines* and social responsibility;
- 5.1.5 be familiar with the Club's strategies, operations, financing and risks and the legal environment in which the Club functions;



5.1.6 maintain confidentiality of information learned by virtue of their position as Director; and

5.1.7 declare any actual or potential conflict of interest (see paragraphs **Error! Reference source not found.** and **Error! Reference source not found.** below).

5.2 Directors can expect all information relevant to the Club's operations to be presented at Board meetings. The Board may require executive management to provide further information the Board considers to be necessary.

5.3 If a Director believes it to be necessary then they may request that independent legal or other expert advice be obtained before making a decision.

5.4 Each Director may enter into an agreement with the Club for the Club to commit to director liability indemnities, director and officer insurance obligations and to provide each Director with access to historical board papers and other corporate information (to the extent permitted by law).

5.5 A Director acting alone has no authority or power to bind or act on behalf of the Club. A Director may only act alone if specifically authorised to do so by resolution of the Board.

5.6 A Director acting alone has no authority to make public announcements on behalf of the Club. This should only be done by the President or the Secretary and only in accordance with the decisions of the Board.

## 6 BOARD COMMITTEES

6.1 To assist in carrying out its responsibilities, the Board may establish advisory and other Board Committees.

6.2 The Board will appoint the members of each Committee, including each Committee Chairperson, who will be a Director and will be responsible for governing the Committee.

6.3 The Board will establish Charters setting out matters relevant to the composition, responsibilities and administration of the Committees, and other matters that the Board may consider appropriate.

6.4 At a minimum, the Board will establish the following Committees and adopt Charters addressing the matters set out above:

6.4.1 Audit, Risk & Compliance Committee;

6.4.2 Sponsorship Committee;

6.4.3 Remuneration Committee; and

6.4.4 Property & Investment Committee.

## 7 ROLE AND RESPONSIBILITIES OF THE SECRETARY

7.1 The Club will have only one Secretary who is appointed by the Board under section 32 of the RCA.

7.2 The Club is managed by the Secretary, who delegates responsibility to the other members of the Club's executive management team and other officers and employees of the Club.

7.3 The Secretary has overall responsibility for all operations of the Club's operations including, but not limited to:

- 7.3.1 liquor and gaming;
- 7.3.2 sales and marketing activities;
- 7.3.3 research, development, support and protection of the Club's assets and intellectual property;
- 7.3.4 financial and administration responsibilities; and
- 7.3.5 Membership and stakeholder relations.
- 7.3.6 ensuring directors receive timely and appropriate notice of meetings, agendas, board papers, reports and to record in the Board minutes all meeting conclusions and decisions;
- 7.3.7 ensuring Members receive timely and appropriate notice of Members' meetings;
- 7.3.8 disclosure of information utilising available communication channels;
- 7.3.9 providing appropriate avenues for Members to communicate with the Board and executive management team
- 7.3.10 monitoring Board and management processes to ensure compliance with the Constitution, corporate governance regulations and relevant legislation; and
- 7.3.11 acting as the key link between the Club and its stakeholders, including liaison with relevant Federal and New South Wales State Government and statutory bodies

7.4 The managers and other executive officers of the Club are appointed to assist the Secretary in fulfilling these obligations;