

19 May 2020

Board Charter

Building auDA 2.0



1. Background

auDA is a not-for-profit company incorporated under the Corporations Act and limited by guarantee. Its Constitution¹ specifies that its principal purposes are:

- a) to be the administrator of, and the Australian self-regulatory policy body for, the .au country code Top Level Domain (ccTLD) and its associated Second Level Domains
- b) to maintain and promote the operational stability and utility of the .au ccTLD and, more generally, the Internet's unique identifier system, and to enhance the benefits of the internet to the wider community
- c) to ensure a cost effective administration of the .au ccTLD and its sub-domains
- d) to develop and establish a policy framework for the development and administration of the .au ccTLD including:
 - rules governing the operations of second level domain registries
 - the creation of second level domains
 - rules governing the accreditation of registrars and registry operators
 - rules governing the registration of names within second level domains and access to second level domain registries and
 - ensuring that registrars have equal access to second level registry services.
- e) to manage the operation, security, stability, resilience and utility of critical technical functions including:
 - the primary and secondary .au name servers
 - zone files for second level domains and
 - a searchable data base containing information on registrations within the .au ccTLD.
- f) to liaise with national and international bodies on issues relating to the development and administration of domain name systems
- g) to establish appropriate complaints handling and dispute resolution processes to provide for conciliation or redress of grievances on matters associated with the administration of the .au ccTLD.

¹ auDA's current constitution



2. Composition of Board

The current Constitution specifies that the Board must include 1 independent Chairperson, 5 Independent Directors and 4 elected Directors approved by the Nominations Committee. The Chief Executive Officer (CEO) attends as a non-voting Board member.

3. Role of Board

The Board acts in the best interests of the Company as a whole and is accountable to the Australian digital community, the Commonwealth Government, stakeholders and members for the overall direction, management and corporate governance of the Company. In performing its role, the Board refers to Terms of Endorsement from the Australian Government and auDA's contract with ICANN. The Board's responsibilities include but are not limited to:

Oversight

- oversight of the Company's activities to achieve the objectives set out in the Constitution;
- establishing and approving the charters of Board Committees; and
- monitoring compliance with ethical, legislative and regulatory requirements including occupational health and safety, equal opportunity, environmental, corporate governance and reporting obligations.

Strategy

Establishing and regularly reviewing auDA's vision, corporate strategies and priorities including:

- reviewing annual business plans to ensure alignment with the strategic direction, priorities and corporate strategies; and
- providing Board oversight of strategic decision making and initiatives.

CEO appointment, oversight and succession planning

Appointing the CEO and overseeing the CEO's performance including:

- establishing and implementing a structured annual performance evaluation process for the CEO;
- monitoring the CEO's evaluation of the performance of senior executives against measurable and qualitative indicators; and
- developing a CEO succession plan.



Financial governance

Regularly reviewing auDA's financial results and financial position including:

- approving auDA's annual budget and monitoring the efficiency of auDA's operations and its performance against the budget,
- ensuring that the company has sufficient resources to carry out its administrative functions and implement operational policies,
- setting and regularly reviewing the financial delegations to the CEO and other auDA staff,
- ensuring auDA has an adequate internal control framework,
- approving auDA's annual financial statements, and
- selecting an independent auditor and reviewing audit findings.

Risk governance

Ensuring that auDA has a robust risk management framework including:

- approving auDA's enterprise-wide risk management policy.
- monitoring high and very high risks.

Operations governance

Governance oversight of the process of developing policies pertaining to .au domain administration including:

- setting the terms of reference and appointing chairs for policy Advisory Panels
- ensuring effective operation of Standing Committee, Industry and Policy Panels and
- considering policies and recommendations developed by Committees and Advisory Panels and ensuring such advice is incorporated into the Board's decision making.

Governance oversight of registry operations including:

- ensuring an appropriate process is used to select the registry operator to which auDA outsources the operation of .au domain.
- ensuring appropriate contracting arrangements are put in place for the selected registry operator including a reporting framework.
- ensuring that a proper governance process is in place so that the registry operator complies with the terms of its agreement with auDA.



Stakeholder relations including complaints handling

Maintaining relationships with key stakeholders at a Board/ senior government official level including (but not limited to):

- international organisations: Internet Corporation for Assigned Names and Numbers (ICANN), Asia Pacific Top Level Domain Association (APTLD) and Council of European National Top-Level Domain Registries (CENTR).
- domain administration authorities in countries with similar arrangements eg. United Kingdom (.uk), New Zealand (.nz) and Canada (.ca).
- relevant Australian government departments including the Department of Communications and the Arts (DOCA), the Department of Home Affairs, the Department of Defence and the Department of Foreign Affairs and Trade (DFAT).

Ensuring that there is an effective process for handling complaints by stakeholders including:

- appropriate selection and contracting arrangements of any external dispute resolution providers.
- adequate resourcing of any internal complaints handling function.
- regular complaint trend analysis and identification, and implementation of any improvement opportunities.

Appointing Directors

Appointing Directors to the Board who have been approved by the Nomination Committee and who possess the necessary skills, experience and background that will best complement the effective operations of the Board, considered in light of the Board Skills Matrix.

Where the Board seeks to appoint a person to fill a casual vacancy created by the cessation of an Elected Director, the Board must consider appointing the person who received the most votes in the last ballot of Associate Members, or election by the Governing Members (as applicable), provided that person received a majority of votes in that ballot and has been approved by the Nomination Committee to fill the casual vacancy.

4. Role of the Chair of the Board

The Chair is responsible for providing leadership to the Board and ensuring that the Board's processes and actions are consistent with its Constitution and policies. The Chair's responsibilities also include:



- as appropriate, representing the Board and auDA to outside parties
- contributing to and approving each Board agenda
- chairing Board meetings in a way that promotes good decision making and participation by all Directors, whilst ensuring that Board time is well managed
- being available to be consulted by the Chief Executive Officer on significant issues and important initiatives facing the Company between Board meetings
- acting as a mentor and sounding board for the Chief Executive Officer, while monitoring his or her performance and
- initiating and overseeing the Board evaluation process.

5. Director's duties and responsibilities

Directors' duties, responsibilities and expected behaviours include the following.

Directors must:

- comply with their legal duties when discharging their responsibilities as Directors, which are broadly to:
 - act with care and diligence
 - act for proper purposes
 - avoid a conflict of interest or duty and
 - refrain from taking improper advantage of or making improper use of information gained through the position of Director.
- attend and participate in Board meetings and meetings of Committees on which they serve and must use reasonable endeavours to attend those meetings in person or failing that, by telecommunication
- spend the time needed, and meet as often as necessary, to properly discharge their responsibilities
- review meeting materials before Board meetings and Committee meetings
- take a diligent and intelligent interest in understanding the information available to Directors and apply an enquiring mind to their responsibilities
- in particular, read, understand and assess Company financial statements and maintain a sound, basic understanding of accounting matters
- proactively ask questions of, request information from, and raise any issue of concern with management within the board environment. Where appropriate and possible, this should be done prior to a Board meeting and through the Chair so that management is able to be prepared to address such issues
- while entitled to rely on the expertise of those who report to the Board, Directors must exercise independent judgment when making decisions, and



where appropriate, question the information or sufficiency of the information provided to the Board

- periodically meet as a group of Non-executive Directors without executive Directors or senior executives present
- keep Board information, discussions, deliberations, and decisions that are not publicly known, confidential
- publicly support the letter and spirit of Board decisions and
- be responsible for their own professional development and ensuring they maintain a standard of good character whilst a director of the organisation.

6. Board committees

The Board has established the following Committees and may establish working parties, as needed, to carry out its responsibilities, but avoid any conflict with the CEO's delegated responsibilities:

- Finance & Audit Committee
- People & Culture Committee and
- Security & Risk Committee

The following must be considered with regard to these established Board Committees:

- a) committees and working parties must have approved Charters defining their role, life span
- b) the role of committees and working parties is to make recommendations to the Board. They do not have authority to make auDA decisions or to speak for auDA or the Board.
- c) if the Board so permits, committees and working parties may co-opt outside members from time to time in order to bring additional skills, experience or networks.
- d) committees and working parties must not provide instructions to or delegate tasks to auDA staff unless the CEO has specifically agreed to this.

7. Board meetings

To meet standards of good governance, the Board must develop and follow an agenda cycle that has some flexibility to deal with changing priorities, and achieves coverage of the Board's core responsibilities including:



- an environmental scan and review of organisational performance and risk at least once per year to set future strategy and key risk management measures
- review of Board's key strategic initiatives, major projects and key risks via CEO reports and presentations
- review of major outsourced operations
- consultations with key stakeholders as appropriate
- complaints report
- regular review of financial results
- approval of budget
- approval of annual financial statements
- meeting with the external auditor
- preparation for and review of AGM matters
- governance education as appropriate e.g. sessions that facilitate a better understanding of the Board's role and the organisation's business
- Board effectiveness review
- CEO performance appraisal and remuneration review and
- reporting by Board committees.

The Board's yearly agenda will be used to determine the number and timing of Board meetings. Typically there will be a minimum of 6 meetings per year of around 4 to 6 hours in length.

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