

Corporate Governance

THE AFL Commission acknowledges the importance of good corporate governance, which establishes accountability for the Commission and management, and provides the policies and procedures for the equitable treatment of the 18 member clubs, recognition of the rights of other stakeholders and the Commission's role as the custodian of Australian Football.

The AFL corporate governance policies and procedures remain under constant review to ensure they meet the expectations of our member clubs, stakeholders and the community generally.

The role of the Commission

To enable the ongoing prosperity of Australian Football, the Commission is committed to act in the best interests of the AFL to ensure it is properly governed and managed.

To achieve appropriate direction and control, the principal role of the Commission is to:

- Protect and enhance the interests of member clubs in the context of the AFL Memorandum and Articles of Association.
- Protect and enhance the interests of the game through national and international programs and the provision of grants to affiliated bodies to support Australian Football at all levels of the community.
- Review, add value to, approve and monitor the strategic direction and objectives.
- Review, approve and monitor the corporate plan linked to the strategic objectives.
- Appoint, delegate to, support, evaluate and reward the performance of the CEO and other executives.
- Support, review and monitor members clubs' operational and financial performance.
- Oversee risk management and regulatory compliance.
- Monitor the integrity of financial reporting.
- Ensure ethical standards and appropriate behaviours are adhered to.
- Have transparent reporting and communication with member clubs and other stakeholders.

Board composition

The names of the AFL Commissioners (Directors) in office at the date of this statement are given in the Directors' Report. The Commission comprises eight non-executive Commissioners and the CEO.

The minimum number of Commissioners is six and the maximum is nine and no more than one third of Commissioners can be Executive Commissioners (including the CEO). Two Commissioners, other than the CEO, retire by rotation each year, together with any Commissioner who has not retired in the past three years, but all may offer themselves for re-election for another three-year period.

The Commissioners appoint one of the non-executive Commissioners as Chairman of the Commission.

Commissioners' conflict of interest

Commissioners are required to disclose all matters involving the AFL in which they have a material personal interest.

Where a matter that a Commissioner has a material personal interest in and a matter relating to that interest is being considered at a Commission meeting, that Commissioner must not:

- Receive papers in relation to the subject.
- Be present while the matter is being discussed.
- Vote on the matter.

However, the Commissioners who do not have a material personal interest in the matter can pass a resolution that:

- Identifies the Commissioner and details that Commissioner's interest.
- States that those Commissioners are satisfied that the interest should not disqualify that Commissioner from voting or being present.

Commission committees

The Commission has established two board committees (Audit and Remuneration) to assist it in the discharge of the Commissioners' roles and responsibilities. However, the Commission has not delegated any of its authority to those committees.

The Commissioners who are members of these committees are outlined in the Financial Report in this document.

A Nominations Committee is also established as a joint initiative with the AFL clubs' chairmen and presidents when new candidates are being considered for appointment to the AFL Commission.

The key roles of the Audit and Remuneration committees are:

Audit Committee

The Audit Committee assists the Commission with its responsibilities by monitoring and advising on the:

- Completeness and fairness of the view given by the financial statements of the AFL.
- Integrity of the AFL's accounting policies and financial reporting practices.
- Continued independence of the external auditors.
- Business risks of the AFL and the controls in place to minimise the impact of these risks.

Remuneration Committee

The Remuneration Committee assists the Commission in its responsibilities by monitoring and advising on the:

- Non-executive Commissioner remuneration.
- CEO and Executive remuneration.

Relationship with management

The CEO is responsible for the day-to-day operations of the AFL and the implementation of the Commission's strategies, in accordance with Commission delegations, policies and procedures. One of the Commission's major objectives is to work with management in a professional, productive and harmonious manner for the ongoing prosperity of the AFL.

Communication with member clubs

The Commission has a policy of active engagement with all member clubs. Commissioners meet with member clubs at least twice a year to discuss a wide range of matters relating to the AFL's internal and external environment.

AFL Commission

Mike Fitzpatrick (Chairman), Andrew Demetriou (Chief Executive Officer), Paul Bassat (appointed February 2012), Justice Linda Dessau, Richard Goyder, Graeme John (resigned January 2012), Bill Kelty, Chris Langford, Chris Lynch, Sam Mostyn.