

BOARD AND COMMITTEE COMPOSITION AND OPERATIONS

Board Composition

1. Industry Skills Australia Limited (ISAL) must have at least three Directors and until otherwise decided by Ordinary Resolution, not more than nine Directors as per clause 4.1.
2. The Board is to comprise of a majority of Independent Directors: clause 4.3. For the purposes of the Constitution and this Charter, an Independent Director means a Director who is free of any interest, position or relationship that might be, or perceived to be, in conflict with the Director's fiduciary obligations to the Company.
3. ISAL must publicly:
 - i. disclose to the Members the names of the Directors; and
 - ii. identify those Directors who the Board considers to be Independent Directors: clause 4.3.
4. The Board must cause to be published on its website:
 - i. the names of:
 - a) board directors;
 - b) key management personnel;
 - c) any established advisory committees;
 - d) advisory committee members;
 - ii. the Conflict of Interest Register at Appendix B and the Gifts, Benefits and Hospitality Register at Appendix C;
 - iii. the details of any remuneration provided to Board directors and advisory committee members;
 - iv. key governance documents including the Constitution and this Board Charter.
5. The Board must notify the Department as soon as is reasonably practicable of any changes to the composition of its membership or the membership of any Advisory Committees.
6. The Members may elect Directors by Ordinary Resolution at an Annual General Meeting: clause 4.5.
7. The Board may appoint any person who is a fit and proper person and otherwise eligible to fill a position on the Board that:
 - a) has become vacant under clause 4.8; or
 - b) that remains vacant following an Annual General Meeting,and that person holds office for the remainder of the term which the Director they replaced would have served.

-
8. In determining whether an individual is a fit and proper person, regard may be had to (without limitation):
- a) the person's knowledge, skills and industry experience;
 - b) whether the person is disqualified by a law of the Commonwealth, State or Territory from acting as a director or officer of an organisation;
 - c) any other previous criminal convictions relating to a matter of dishonesty, fraud or misuse of funds or position; and/or
 - d) whether a conflict of interest exists that will create a material risk that the person will fail to perform their role.

Board Meetings

9. The frequency of board meetings is determined by the Board but in principle the Board must meet at least four times a year: clause 13.2.
10. A Director may at any time, and a Secretary must on request from a Director, convene a Board meeting: clause 13.1.
11. The convenor of each Board meeting:
- i. must give reasonable notice of the meeting (and, if it is adjourned, of its resumption) individually to each Director who is in Australia; and
 - ii. may give that notice orally (including by telephone) or in writing,
- but accidental failure to give notice to, or non-receipt of notice by a Director does not result in a Board meeting being invalid: clause 13.3.
12. A Board meeting may be held using any means of audio or audio-visual communication through which each Director participating can hear and be heard by each other Director participating, or in any other way permitted by section 248D: clause 13.4.
13. A Board meeting held solely or partly by technology is treated as held at the place at which the greatest number of the Directors present at the meeting is located or, if an equal number of Directors is located in each of two or more places, at the place where the Chair of the meeting is located: clause 13.4.
14. The Board is to elect a Director to chair its meetings: clause 13.5.
15. The Director elected to serve as the Chair must be an Independent Director: clause 13.5.
16. All Directors have the right to have input into the meeting agendas via the Chair.

17. Board Meetings will be structured so as to maximise:
 - i. a strategic focus;
 - ii. discussion and decision making;
 - iii. efficiency and effectiveness in fulfilling compliance requirements; and
 - iv. interaction between the Board and management.
18. The Board will establish an annual Schedule for Board meetings that:
 - i. ensures sufficient frequency and time to fulfill responsibilities;
 - ii. timetables annual or recurring events such as the audit, preparation of the annual accounts, annual report and Annual General Meeting;
 - iii. allows time for internal and external presentations on strategic aspects of the business;
 - iv. timetables professional development activities for the whole Board; and
 - v. evaluates Board performance including progress against any Board plan.

Board Decisions

19. A resolution of the Board is passed if a majority of the votes cast by Directors entitled to vote on the resolution are in favour of it: clause. 13.7.
20. The Chair of a Board meeting does not have a casting vote: clause 13.7.
21. If an equal number of votes is cast for and against a resolution of the Board, the matter is decided in the negative: clause 13.7.
22. The Directors may pass a resolution without a Directors' meeting being held if a majority of the Directors entitled to vote on the resolution sign a document containing a statement that they are in favour of the resolution set out in the document. A resolution so made in is taken to be passed when a majority of Directors have signed the resolution: clause 13.9.
23. Decisions will be reflected in the minutes and, where necessary, any dissenting views that a Director has will be specifically recorded.

Board Materials

24. The notice, agenda and materials for each Board meeting are to be circulated to Directors and those Officers attending by specific or standing invitation, no less than five (5) business days before the scheduled meeting (unless the Board consents to a shorter period).
25. Business of the Board which is not included in the agenda or for which the materials were late may be discussed at a Board Meeting with the consent of the Chair.

Board Committees

26. The Board may delegate any of its powers and functions (other than those powers and functions required by clause 8.2 or law to be dealt with by the Directors as a Board) as permitted by section 198D: clause 8.1.
27. The Board may revoke a delegation previously made, whether or not the delegation is expressed to be for a specified period: clause 8.3.
28. The Board may establish either or both of the following:
 - i. committees with powers delegated by the Board, comprising of only Directors (Board Committees); and
 - ii. advisory committees, with no delegated powers of the Board, to advise the Board on specified matters (Advisory Committees),
where such a Committee will:
 - i. promote the efficient and effective governance of the ISAL; or
 - ii. will otherwise assist ISAL in furthering its objects set out at clause 2: clause 9.1
29. A member of an Advisory Committee does not need to be a Director or Member provided that at least one member of any Advisory Committee established must be a Director: clause 9.4.
30. The Board may develop terms of reference to govern each Committee's operations.
31. Subject to any specific terms reference, the meetings and proceedings of Committees are, to the greatest extent practical, governed by the rules of the Constitution which regulate the meetings and proceedings of the Board including clause 10.3 and clause 10.4 dealing with conflicts of interest whether perceived or actual: clause 9.1.
32. The Board Chair may attend all committee meetings as an observer but may not be a member of a committee.
33. All Directors can act as alternates for committee members provided that an Independent Director can only act as an alternate for another Independent Director.
34. The Board must publicly disclose to the Members of ISAL:
 - i. the nature and purpose of any Committees established;
 - ii. whether the Committee is a Board Committee or an Advisory Committee; and
 - iii. the members of any such Committee, including details of the relevant qualifications and experience of the members of the Committee: clause 9.1.

-
35. The Board may, at any time and at its discretion, either:
- i. amend the terms of reference of;
 - ii. revoke any delegations to (in respect of a Board Committee); or
 - iii. otherwise abolish,
- any Committee previously established: clause 9.1.
36. Committee members are required to:
- i. disclose any actual, potential or perceived conflicts of interest they have in relation to affairs of the Committee to the other members of the Committee (See Conflict of Interest Policy); and
- must not:
- i. be present while any matter which relates to their conflict of interest is being considered at the meeting; or
 - ii. vote on the matter,
- unless those Committee members who do not have a conflict of interest in the matter have passed a resolution that:
- i. identifies the Committee member;
 - ii. the nature and extent of their conflict of interest; and
- states that those Committee members are satisfied that the interest should not disqualify the Committee member from voting or being present: clause 9.1.
37. The Board must document the formation of any Committee in the minutes of the Board: clause 9.1.
38. All members of a Board Committee must be Directors: clause 9.2.
39. Subject to the restrictions applying to the delegation of Board powers and functions under clause 8 and as otherwise permitted under section 198D, the Board may delegate any of its powers and functions to a Board Committee: clause 9.2 (See Board Delegations Policy).
40. If the Board delegates any of its powers and functions to a Board Committee:
- i. the Board may impose any restrictions or duties on the exercise of those delegated powers and functions (including by specifying those matters reserved for the Board);
 - ii. the relevant Board Committee must comply with any restrictions or duties imposed in accordance with rule 9.2(c) (i); and
 - iii. the delegation must be recorded in the minutes of the Board: clause 9.2.
41. A Board Committee which is delegated the power and functions of the Board is not permitted to further sub-delegate those powers or functions: clause 9.2.
42. The Board will establish committees only to support it in its own work, and never to interfere with the CEO's responsibilities.

43. Committees shall be required to comply with the following guiding principles when carrying out their work:
- i. Committees shall have Terms of Reference clearly defining their role, procedures and functions and the boundaries of their authority to be reviewed annually.
 - ii. Committees may co-opt outside expertise from time to time in order to bring additional skills, experience or networks.
 - iii. Committees cannot exercise authority over staff nor shall they delegate tasks to any staff unless the CEO has specifically agreed to such delegations.

Committees cannot make binding Board decisions or speak for the Board.