

# CORPORATE GOVERNANCE CHARTER

Apprenticeships  
Are Us



Honesty, Integrity & Accountability



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## 1. PURPOSE

The purpose of this Corporate Governance Charter is to provide a framework that ensures the integrity, accountability, and transparency of Apprenticeships Are Us Limited's (ARU) operations and governance structure.

**1.1.** As a Charity our purpose is to assist all young people from various backgrounds into apprenticeships or traineeships in the Automotive Industry. Apprenticeships Are Us Limited (ARU) as a Charity plays an important role in assisting:

- To employ and train individuals as trainees and apprentices whilst arranging for their placement with host employers.

ARU works with young people whilst they are in school to prepare them for an automotive apprenticeship. An apprenticeship is a great way of building a sustainable and secure career pathway. Not only does the apprentice obtain employment but they also combine formal study with their progression in the trade. The added benefit is that they will be getting paid to do it. Employment within the automotive industry is consistent and strong. There are always more positions on offer in the automotive industry than qualified tradespeople to fill them. Unlike other industries, the automotive industry is not reliant on economic conditions to drive growth. The number of registered vehicles on the roads provides security throughout the industry.

We daily work towards introducing new young people to our team, being a part of the team and working with them to provide support throughout their apprenticeship so that they may complete and progress to become a successfully qualified tradesperson. Each apprentice is allocated an Apprentice Employment Manager to manage their apprenticeship. As opposed to a normal Labour Hire Company Apprenticeships Are Us Limited as a GTO adheres to the National Standards for Group Training Organisations, which provide rigorous processes for the benefit of apprentices. All of our Apprentice Employment Managers have completed a Working with Children's Check, are automotive trade qualified, have extensive experience in the automotive industry, hold a Certificate 4 in Workplace Training, Assessment and Evaluation and have undertaken additional training in:

- Building mentoring relationships with young people. Building Self Esteem and resilience.
- Active listening and communication. Adolescent Issues.
- Conflict Management and Problem Solving. Duty of Care.
- Working with young people from a refugee or migrant background. The Strengths-Based Approach.
- Mental Health and Well Being.
- Alcohol and other drug issues with young people. Suicide Awareness and Prevention.
- Applied First Aid.
- Risk and Hazard Identification.

**1.2.** A confidence that providing young people with a structured career pathways such as an automotive apprenticeship opens up new options for them and enriches their families and communities.

**1.3.** A commitment to respect, promote and protect the rights of Aboriginal and Torres Strait Islander people, and particularly their rights to health and life expectancy on a par with other Australians.

**1.4.** A determination to contribute in a meaningful way to a more equitable world where high Employment and career pathways are available to all.

**1.5.** A conviction that our goals can only be achieved if we work in true partnership with the automotive industry and the young people we work with and support them to find their career calling.

**1.6.** A belief that the best path forward is always found through openness and collaboration, and through forging effective partnerships with the automotive industry, schools, stakeholders, and agencies of like mind who share those values.



## Duties of Directors under the Corporations Act

As Directors of Apprenticeships Are Us Ltd (ARU), it is essential to comply with the legal obligations set out in the *Corporations Act 2001 (Cth)*. The following key duties are derived from specific sections of the Act, ensuring that directors act with care, integrity, and in the best interests of the company.

1. **Duty to Act in Good Faith and in the Best Interests of the Company (Section 181):** Directors must act in good faith and in the best interests of ARU at all times. This includes making decisions that align with ARU's objectives, putting the organisation's interests ahead of personal interests or any third party's interests.
2. **Duty to Act for a Proper Purpose (Section 181):** Directors must use their powers for a proper purpose and not for personal advantage or any purpose that is inconsistent with ARU's objectives. This duty requires directors to ensure that their actions further the legitimate goals of the organisation.
3. **Duty to Avoid Conflicts of Interest (Section 191):** Directors must disclose any material personal interest in matters that relate to ARU's affairs. Any conflict of interest, whether actual or potential, must be declared, and the director must abstain from participating in discussions or decisions where the conflict exists.
4. **Duty of Care and Diligence (Section 180):** Directors must exercise their powers and discharge their duties with the degree of care and diligence that a reasonable person would apply in the same position. This includes being well-informed about the organisation's activities, finances, and risks, and taking steps to ensure appropriate oversight of management.
5. **Duty to Prevent Insolvent Trading (Section 588G):** Directors have a duty to prevent ARU from trading while insolvent. If a director has reasonable grounds to suspect that ARU is or may become insolvent, they must take appropriate action to prevent further trading, or they may be held personally liable for debts incurred.
6. **Duty Not to Improperly Use Information or Position (Section 182 & Section 183):** Directors must not use their position or information gained through their position to gain an improper advantage for themselves or someone else, or to cause harm to ARU. Misusing confidential information for personal benefit is prohibited under the Act.
7. **Duty to Comply with Statutory and Regulatory Requirements (Section 344):** Directors must ensure that ARU complies with its statutory obligations, including financial reporting, corporate governance standards, and other legal requirements. Non-compliance can result in penalties and personal liability for directors.
8. **Duty to Act Honestly and Transparently (Sections 180 & 181):** Directors are required to act honestly and transparently in all their dealings for ARU. This includes making decisions that are free from fraud or deceit and ensuring that financial records and reporting are accurate and truthful.

Failure to comply with these duties may expose directors to civil penalties, compensation orders, and in severe cases, criminal penalties under the *Corporations Act 2001 (Cth)*. Directors can be held personally liable for breaches, which may result in disqualification from managing corporations, fines, or imprisonment in cases of serious misconduct.

It is therefore crucial for every Director of ARU to fully understand these legal obligations and uphold them diligently in their role.

## Key Duties Under the ACNC Governance Standards

- Act with **reasonable care and diligence**.
- Act **honestly and fairly** in the best interests of ARU.
- **Not misuse position or information**.
- **Disclose and manage conflicts of interest**.

- Ensure **financial affairs are managed responsibly**.
- Ensure ARU **operates as a not-for-profit and pursues only its charitable purpose**.
- Ensure ARU **is not involved in unlawful conduct**.

## **Officer Duties Under WHS Legislation**

Directors must exercise due diligence, which includes:

- ensuring WHS risks are identified and addressed;
- ensuring ARU has appropriate resources, processes and monitoring;
- ensuring incident reporting and consultation occur.

## **Consequences of Breach**

Breaches may result in:

- ACNC sanctions including deregistration;
- civil penalties under the Corporations Act;
- disqualification from managing corporations;
- personal liability for debts (insolvent trading);
- WHS prosecution including significant fines.

## **Code of Conduct Compliance**

Directors must comply at all times with:

- ARU Code of Ethics and Conduct
- Conflict of Interest Policy
- Whistleblower Policy
- Child Safety Policies
- Fraud and Corruption Policy
- Delegations of Authority

Directors must ensure their behaviour reinforces ARU's values, reputation and legal obligations.

## **ACNC Guidelines and Relevance to Apprenticeships Are Us Ltd**

### **ACNC Guidelines and Governance Standards**

As a registered charity with the Australian Charities and Not-for-profits Commission (ACNC), Apprenticeships Are Us Ltd (ARU) is required to comply with specific governance standards and reporting obligations set by the ACNC. These standards are designed to ensure that charities operate in a manner that upholds public trust and confidence while fulfilling their charitable purposes.

The ACNC has established five core *Governance Standards* that ARU, as a registered charity, must meet:

1. **Governance Standard 1 – Purposes and Not-for-Profit Nature of a Charity:** ARU must operate as a not-for-profit organisation, ensuring that it continues to pursue its charitable purposes. The organisation's resources must be applied towards fulfilling its mission to support young people entering apprenticeships in the automotive industry. Directors are responsible for ensuring that ARU operates consistently with its not-for-profit character, where any profits are reinvested into the organisation's charitable activities.
2. **Governance Standard 2 – Accountability to Members:** ARU must remain accountable to its members. This includes holding Annual General Meetings (AGMs), providing financial and operational reports to members, and ensuring transparency in governance decisions. Members have the right to ask questions and hold the Board accountable for its decisions and actions.

3. **Governance Standard 3 – Compliance with Australian Laws:** ARU must comply with all applicable Australian laws, including the *Corporations Act 2001 (Cth)*, *Workplace Health and Safety* laws, and employment regulations. Failure to comply with legal obligations can lead to penalties, including the potential loss of ACNC registration, which could impact ARU's ability to continue operating as a charity.
4. **Governance Standard 4 – Suitability of Responsible Persons:** Directors of ARU, referred to as "responsible persons," must be suitable to hold their positions. This means that directors must act with honesty, integrity, and in the best interests of the organisation. The Board must ensure that responsible persons do not have any disqualifying history, such as disqualification from managing corporations or serious criminal convictions, which would render them unsuitable to serve.
5. **Governance Standard 5 – Duties of Responsible Persons:** The directors of ARU must comply with their duties as responsible persons under the ACNC's governance standards. This includes:
  - Acting with care and diligence (similar to the duties under the *Corporations Act*).
  - Acting in good faith and in the best interests of the organisation.
  - Not misusing their position or information for personal gain.
  - Disclosing and managing conflicts of interest.
  - Ensuring that ARU's financial affairs are managed responsibly, including providing accurate financial reports and complying with the ACNC's reporting requirements.

## Reporting Obligations to the ACNC

ARU is required to submit an Annual Information Statement (AIS) and annual financial reports to the ACNC. These reports provide transparency regarding ARU's operations, governance, and financial status. ARU's directors are responsible for ensuring that all information provided to the ACNC is accurate, complete, and submitted within the specified deadlines.

Failure to meet these reporting obligations could result in penalties, including the potential loss of charity registration, which would significantly impact ARU's operations, public trust, and eligibility for tax concessions and grants.

## Importance of ACNC Registration

Being registered with the ACNC provides ARU with several benefits, including:

- Access to charity tax concessions, such as Goods and Services Tax (GST) exemptions and Fringe Benefits Tax (FBT) rebates.
- Eligibility for Deductible Gift Recipient (DGR) status, enabling ARU to receive tax-deductible donations.
- Public recognition as a charity, which enhances ARU's reputation and credibility within the community and among donors.

To maintain these benefits, ARU must ensure ongoing compliance with ACNC governance standards and reporting obligations. The directors play a critical role in upholding the organisation's commitment to these standards, ensuring the long-term sustainability of ARU as a charity.

## National Standards for Group Training Organisations (2017)

As a nationally registered GTO, ARU is required to comply with the National Standards for Group Training Organisations (2017). The Board must ensure:

- apprentices receive high-quality pastoral care, monitoring and workplace support;
- host employers meet safety, supervision and training obligations;
- apprentice training contracts are managed lawfully;
- risks to apprentices, including WHS, industrial, psychosocial and operational risks, are mitigated;

- reporting to State Training Authorities is accurate and timely.

Non-compliance may result in sanctions, including suspension or cancellation of ARU's GTO registration.

## 2. DEFINITIONS

**ACNC** – Australian Charities and Not-for-profits Commission.

**Director** means a director who sits on the Board of directors of national registered Group Training Organisation, Apprenticeships Are Us Limited (ARU).

**Personnel** - A person who carries out work in any capacity for Apprenticeships Are Us Limited (ARU) which includes paid employees, contractors, sub-contractors, consultants, work experience students or volunteers.

**Terms of Reference** or *ToR* means the terms of reference approved by the Board for each of its Board Committees, if any as reviewed annually and as amended from time to time.

## 3. BACKGROUND

Apprenticeships Are Us Limited (ARU) is a Group Training Organisation (GTO) that has been supplying quality Automotive Apprentices to the industry for over 15 years. We specialise in providing young people and those in the wider community with pathways to Mechanical Apprenticeships for Light and Heavy Vehicles, Accident Repair trades such as Panel Beating and Spray Painting.

ARU is a not-for-profit organisation where all profits are applied in furtherance of the objects of the organisation in providing quality opportunities and support for its apprentices.

ARU is constituted as an unlisted public company limited by guarantee under Australian law. It is a membership-based, not-for-profit, non-government organisation. It is governed by the relevant provisions of the Corporations Act 2001, the Australian Charities and Not-for-profits Commission Act and its own Constitution adopted by the members in 2016, as subsequently amended. ARU is registered as a charity with the Australian Not-for-profit Charities Commission and must meet its requirements including certain governance standards.

ARU is registered under the National Standards for Group Training Organisations – a status that must be reviewed and renewed every Three years.

Responsibility for ensuring the good governance of the organisation rests with the ARU Board of voluntary Directors comprised of a minimum of three and a maximum of eight people.

The Chair is appointed by the ARU Board from amongst the full pool of Directors.

## 3A. LEGISLATIVE AND REGULATORY FRAMEWORK

Apprenticeships Are Us Limited (ARU) is required to comply with a range of Federal and State legislation, regulatory instruments and accreditation standards applicable to its operations as a national Group Training Organisation and registered charity. This Corporate Governance Charter is to be read in conjunction with these obligations.

### Primary Legislation

- **Corporations Act 2001 (Cth)** – governance, directors' duties, financial reporting and solvency obligations.
- **Australian Charities and Not-for-profits Commission Act 2012 (Cth)** – registration, governance standards, reporting and responsible person obligations.

- **Fair Work Act 2009 (Cth)** – employment obligations relating to apprentices, workplace rights, protections and industrial instruments.
- **Work Health and Safety Acts and Regulations (State/Territory)** – primary duty of care, due diligence obligations of officers, and risk management requirements.
- **Privacy Act 1988 (Cth)** – handling of personal information, especially apprentice and employee records.
- **Apprenticeship and Traineeship legislation (State/Territory)** – regulation of training contracts and employer obligations.

## **Regulatory & Accreditation Standards**

- ACNC Governance Standards (1–5).
- National Standards for Group Training Organisations (2017).
- AASB Australian Accounting Standards.
- State Training Authority contractual obligations.

## **Supplementary Governance Instruments**

- ARU Constitution
- ARU Board Policies
- Committee Terms of Reference
- ARU Risk Management Framework
- ARU Code of Ethics and Conduct

Directors must ensure they understand these obligations and act consistently with the organisation’s regulatory environment at all times.

## **4. GUIDING PRINCIPLES**

Adherence with the guiding principles ensures that all strategic decisions are supported by and reflect the desired governance framework of ARU. The ARU Board will fulfil these objectives by implementing the principles that are summarised in brief as follows.

These Principles are supplemented elsewhere by specific policies, procedures, and guidance documents on key elements.

### **PRINCIPLE 1 – PROVIDE LEADERSHIP AND ADD VALUE**

The ARU Board will provide leadership through informed deliberation that sets the organisation’s vision, values, broad policies and strategic plans. We take ultimate responsibility for the effective functioning of the organisation, its sustainability, and the protection of ARU’s name and brand.

### **PRINCIPLE 2 – LAY SOLID FOUNDATIONS FOR MANAGEMENT AND OVERSIGHT**

ARU will ensure organisational clarity about the respective roles and responsibilities of the ARU Board and Management and the interface between the two. The ARU Board will always seek to establish and maintain positive relationships with the Managing Director (MD) and, through him or her, with other managers of ARU. We will provide honest, direct, and timely feedback to the MD on the performance of the Management but will not seek to directly intrude on or supplant the MD’s responsibility to manage the organisation.

### **PRINCIPLE 3 – STRUCTURE THE ARU BOARD TO ACHIEVE THE BEST OUTCOMES**

We will organise the business of the ARU Board and utilise our skills and expertise as individuals in the most effective ways to discharge the ARU’s Board duties and to advance the goals of ARU.



#### **PRINCIPLE 4 – BE ACCOUNTABLE TO OUR MEMBERS AND RESPECT THEIR RIGHTS**

We acknowledge the trust our members have placed in us, respect their rights to hold us to account, and pledge transparency in our relationship with them.

#### **PRINCIPLE 5 – MAKE PARTNERSHIP AND COLLABORATION THE HALLMARKS OF OUR WORK**

Recognising our commitment to collaboration in our work, and our determination to mobilise resources efficiently through cooperation, we will work through strong partnerships at both the governance and operational levels, emphasising cooperation and collaboration as central to the way we plan and work.

#### **PRINCIPLE 6 – BUILD RESOURCES AND A CULTURE OF FINANCIAL TRANSPARENCY**

We are committed to ensuring ARU has the resources to achieve agreed strategic objectives and to making full and accurate information available about ARU's financial position.

#### **PRINCIPLE 7 – IDENTIFY AND MANAGE RISK WITHOUT BEING RISK-AVERSE**

We are willing to take risks to achieve results but do so only with open eyes and when confident they can be satisfactorily managed.

#### **PRINCIPLE 8 – STRIVE FOR GOVERNANCE EXCELLENCE AND CONTINUAL IMPROVEMENT**

We will challenge ourselves to achieve excellence in governance and will take active steps to enhance our performance as the ARU Board.

#### **PRINCIPLE 9 – NO WELFARE, EVANGELISM OR PARTISAN POLITICS**

ARU's principles of independence and self-sufficiency mean that we do not engage in or support welfare programs, evangelism, or partisan politics either in our own work or the activities and strategies we support and fund.

### **5. COMMITMENTS UNDER THIS POLICY**

**5.1.** This Charter outlines the ways in which Directors will:

- 5.1.1.** Be accountable to all members, stakeholders, and regulators.
- 5.1.2.** Ensure that ARU is well-governed and well-managed and hence capable of achieving good outcomes.
- 5.1.3.** Protect and enhance ARU's legacy and reputation and the value and standing of ARU's brand and respect the concerns and interests of beneficiaries.
- 5.1.4.** Strive for excellence in governance and provide responsible, ethical, and creative leadership.
- 5.1.5.** Implement effective financial and risk management oversight to ensure continued organisational viability and sustainability.
- 5.1.6.** Assist ARU's Management team as requested to nurture and develop critical relationships and partnerships to progress the vision and work of the organisation.
- 5.1.7.** Ensure transparency and integrity of information to members and other stakeholders, concerning operations, challenges, and achievements.

#### **PRINCIPLE 1 – PROVIDE LEADERSHIP AND ADD VALUE**

**5.2.** The ARU Board will provide leadership through informed deliberation that sets the organisation's vision, values, broad policies, and strategic plans. We take ultimate responsibility for the effective functioning of the organisation, its sustainability, and the protection of ARU's name and brand.

**5.3.** In accepting this responsibility for leadership and good outcomes, the ARU Board will:

- 5.3.1.** Ensure that ARU's vision informs strategic and operational planning and decision making.
- 5.3.2.** Determine the broad policies and the strategic plan that will further the vision, values, principles, and objectives of ARU and enable the achievement of agreed key objectives.
- 5.3.3.** Establish financial and risk management policies that support ARU's strategic plans and protect the organisation's current and future viability and ARU's brand.
- 5.3.4.** Approve an annual business plan and budget that is developed and implemented by Management and consistent with the strategic framework.
- 5.3.5.** Ensure there are adequate resources to meet the organisation's approved annual business plan and budget, as well as reasonable prospects of being able to meet the requirements of the agreed multi-year strategic framework and an adequate level of reserves in the event the organisation is wound up.
- 5.3.6.** Ensure Management implements appropriate management, compliance, information and control systems for monitoring organisational performance and to ensure integrity, accuracy and timeliness in terms of financial reporting to the ARU Board and full compliance with statutory and regulatory obligations and any applicable codes of practice.
- 5.3.7.** Build the membership of the organisation, respect the rights of members, be accountable to them and work with Management to ensure the value of their expertise is realised to further the goals of ARU.
- 5.3.8.** Recruit, encourage and support the MD, monitoring and evaluating his or her performance and, through the Chair, providing timely, constructive feedback and mentoring and, if necessary, terminating the employment contract.
- 5.3.9.** Constructively test and, if necessary, challenge key assumptions and strategies proposed by Management to ensure robust planning and risk management are built into ARU's way of working.
- 5.3.10.** Perform its functions to enhance the public standing of ARU.
- 5.3.11.** Maintain oversight and governance of (including appointments to) ARU's subsidiaries and significant partnerships as determined by the ARU Board.
- 5.3.12.** Develop the collective capacities of the ARU Board and regularly evaluate the ARU Board performance.
- 5.3.13.** Renew and evolve the composition of the ARU Board and its complement of skills through good succession planning so as to support the strategy of ARU's over the long term.

**5.4.** To contribute to the fulfilment of these collective responsibilities, each Director will:

- 5.4.1.** Become knowledgeable about ARU – its history, vision, programs, principles, strengths, and challenges.
- 5.4.2.** Apply her or his skills, attributes, networks, and expertise to advancing the objects and work of ARU.
- 5.4.3.** Allocate sufficient time to understand and discharge his or her duties as a director, and beyond the statutory duties, allocate time and effort to be involved in and connected with the community of stakeholders (internal and external), partners and supporters of ARU.
- 5.4.4.** Act in good faith and in the best interests of the organisation and declare any actual or potential conflicts of interests annually and also at the commencement of each the ARU Board and/or Committee meeting in accordance with ARU's *Management of Conflicts of Interest policy*.

**5.4.5.** Understand the distinction between the respective roles of the ARU Board and Management and be respectful of those distinctions while seeking to build and maintain positive, constructive engagement with the MD and her or his management team.

**5.4.6** Contribute informed views, judgment, and discernment to the ARU's Board deliberations and decision-making, questioning and challenging as appropriate in a constructive way that focuses on outcomes and on identifying optimal paths to achieve agreed strategic goals.

**5.4.7.** Adhere to the principle of the ARU's Board solidarity and be supportive of all decisions properly made by the ARU Board.

**5.4.8.** Be willing to serve on the ARU Board committees or to take on specific responsibilities within the ARU Board or on related international entity boards as requested by the ARU Board and/or the Chair, where this is practicable.

**5.4.9.** Not use information gained as a director for any purpose other than to further the goals and objectives of ARU.

**5.4.10.** Take no personal advantage from the role as a director, and neither accept nor offer any gifts or favours from or to any individual or entity which does business with the organisation beyond small tokens of appreciation where this is culturally appropriate.

**5.4.11.** Exercise the same degree of care, diligence, and skill that a reasonably prudent person would exhibit in comparable circumstances.

**5.5.** These duties are set out in a formal Letter of Appointment which is signed by all Directors and in accordance with ACNC requirements.

## **PRINCIPLE 2 – LAY SOLID FOUNDATIONS FOR MANAGEMENT AND OVERSIGHT**

**5.6.** ARU will ensure organisational clarity about the respective roles and responsibilities of the ARU Board and Management and the interface between the two. The ARU Board will always seek to establish and maintain positive relationships with the MD and, through him or her, with other managers of ARU. We will provide honest, direct, and timely feedback to the MD on the performance of the Management but will not seek to directly intrude on or supplant the MD's responsibility to manage the organisation. The Managing Director acts as the key liaison between the ARU Board and Management. He or she is responsible for providing the ARU Board with accurate and timely information necessary for making strategic decisions and ensuring operational efficiency.

**5.7.** ARU's goal is to ensure that the relationship between the ARU Board and Management team is open, honest, good-natured, and constructive, and grounded in mutual respect so as to advance the vision and objects of the organisation.

**5.8.** The ARU Board is in agreement that, while existing along a continuum, the respective roles and responsibilities are best viewed in the following way:

### **ARU Board role & Management role**

The ARU Board is committed to ensuring full financial transparency by implementing robust systems of financial reporting, auditing, and oversight. All financial decisions will align with ARU's strategic objectives and will be reviewed regularly to ensure the ongoing financial health of the organisation.

- Be custodians of ARU's legacy and brand.
- Implement measures to protect and enhance the brand and build on ARU's legacy, to continue to support the automotive industry and apprentices.
- Ensure there is a business in the long-term.
- Manage the business today and for tomorrow.

- Recruit, support, and monitor the performance of and (through the Chair) provide guidance and coaching to the MD.
- Recruit, support and monitor the performance of senior managers and the broader management team.
- Debate, consider and determine broad strategic directions and policies, always considering the expertise and advice of Management.
- Provide information, advice, and recommendations to inform strategic decision-making.
- Monitor the performance of the organisation Implement the broad strategic directions and policies established by the ARU Board and provide information so the ARU Board can carry out its monitoring role.
- Monitor the adequacy of and outcomes from risk management processes.
- Design and implement risk management processes.
- Review the budget to ensure it is aligned to the strategy and affordable, approve it and monitor its implementation.
- Propose the budget, work to it and report on progress against it.
- Directors must declare any actual or potential conflicts of interest at the beginning of each board meeting. Conflicts should be managed in accordance with ARU's Conflict of Interest Policy, and Directors must recuse themselves from any discussions where a conflict exists.

**5.8.1.** The management of ARU is entrusted to the MD, a position which the ARU Board is responsible for recruiting and managing. Our approach is to set parameters for the MD rather than to rigidly prescribe or limit his or her actions. The MD presents a budget and operating plan to the ARU Board each year. The ARU Board reviews and approves these (either with or without amendment) and, having done so, then delegates responsibility to the MD to implement the plan and manage the budget.

**5.8.2.** The MD is authorised to amend any element of the operating plan and expenditure allocations within tolerances set from time to time by the ARU Board. However, any substantial change in the profile of ARU's or the nature of its business would only be possible after substantive discussion with the ARU Board including a review of the strategic framework.

**5.8.3.** The MD is the conduit between the ARU Board – both as a whole and as individual Directors – and the staff. He or she works with the Chair to ensure the information interchange between the ARU Board and the Management team is open, transparent, and effective, and to build and maintain ARU Board/Management relationship that is honest, good-natured and constructive. Management information is the property of ARU's, and the ARU's Board has the right to access any information it may feel is necessary or desirable for it to carry out its functions.

**5.8.4.** The MD and Chair develop agendas for the ARU Board meetings and strategic planning meetings. The MD is responsible for ensuring the ARU Board receives high quality, timely reports from Management and relevant information to enable the ARU Board to make informed judgments and decisions concerning matters dealt with in ARU Board meetings and other matters of strategy, and regarding progress against agreed organisational Strategic Goals. The MD, in consultation with the Chair, provides the ARU Board with sound and timely advice on key strategic and operational matters and relationships, and ensures there is an effective Management team in place.

**5.8.5.** Directors are responsible for supporting and encouraging the MD. Care is taken not to undermine his or her authority and standing with staff, including through ensuring that any direct contact we have with staff is with his or her knowledge and consent. However, consistent with the principle of openness and honesty, a member of staff who believes misconduct has occurred on the part of the MD has the right to discuss the matter directly and confidentially with the Chair of the ARU Board. Directors are to fulfil this support role in a manner consistent with their duties as directors.



**5.8.6.** Directors will, as their schedules permit, provide advice and assist the work of the organisation where the MD believes this would be valuable. This includes supporting governance, capability building, and information sharing between directors and management.

**5.8.7.** Annually the Chair undertakes a formal review of the performance of the MD and reports to the ARU's Board in-camera session on the results and the proposed remuneration package in accordance with the agreed employment contract. This decision is taken by the ARU Board.

**5.8.8.** The ARU Board is responsible for ensuring that an effective risk management framework is in place. This includes identifying potential risks, regularly reviewing and updating risk mitigation strategies, and ensuring that Management has implemented processes to monitor and address these risks.

**5.8.9.** Directors must act with integrity and avoid any actions that may conflict with ARU's interests. This includes adhering to the ARU Code of Conduct and declaring any conflicts of interest before each board meeting. Directors are expected to uphold the highest ethical standards in all their dealings.

### **PRINCIPLE 3 – STRUCTURE THE ARU BOARD TO ACHIEVE THE BEST OUTCOMES**

**5.9.** We will organise the business of the ARU Board and utilise our skills and expertise as individuals in the most effective ways to discharge the ARU's Board duties and to advance the goals of ARU.

**5.10.** Managing the work of a Board is a complex task and requires Directors to work well together to make the ARU Board function effectively.

**5.11.** Effective functioning requires agreement as to how business will be done and for specific tasks to be allocated to particular Directors or committees, while not detracting from the ARU's Board shared responsibility for ARU as a whole. This is particularly true in organisations such as ARU that are comprised solely of voluntary Directors.

#### **5.12. Role of the Chair**

**5.12.1.** ARU has paid particular attention to the role of the Chair of the ARU Board. While it includes all duties prescribed by the Constitution and the Corporations Act, the responsibilities of the Chair of ARU go well beyond this.

**5.12.2.** The Chair leads the ARU Board and ARU through promoting a culture of excellence, integrity, respect, transparency, action, collaboration, empowerment and compliance with both organisational vision and relevant laws.

**5.12.3.** In particular, the Chair:

- (a) develops meeting agendas with the MD that focus the ARU Board attention on its strategic stewardship, financial stewardship, policy formation, decision-making and oversight roles.
- (b) facilitates a proper flow of communication and information to assist the ARU Board to fulfil its functions, both during and between the ARU Board meetings.
- (c) chairs the ARU Board meetings and ensures they are conducted in a way that promotes engagement, understanding, effectiveness, efficiency, and ethical behaviour and decision-making.
- (d) ensures and participates in an induction process for new Directors, and in the ongoing process of the ARU Board and director development.
- (e) ensures succession planning is informed and ongoing.
- (f) takes the lead role in the MD succession planning, recruitment, and performance assessment.

(g) establishes a productive working relationship with the MD that is open, honest, good natured and constructive and grounded in mutual respect, and provides the MD with specific support and guidance without interfering in operational matters.

(h) sets the “tone at the top”, that is, the values and culture within the ARU Board.

(i) represents the views of the ARU Board to reports for members at the AGM and is always open to communication with members; and

(k) as appropriate and in consultation with the MD, represents ARU externally as agreed with the MD.

The Chair may call on one or more Deputy-Chair(s) with some or all these functions.

### **5.13. Role and operation of Committees**

**5.13.1.** The ARU Board, acting as a whole, is responsible for ARU overall. Committees advise and make recommendations to the ARU Board.

**5.13.2.** The ARU Board in consultation with the MD:

(a) determines the Terms of Reference (ToRs) for Committees, including their roles, responsibilities and composition and how they will operate and report to the ARU Board.

(b) appoints the members of Committees upon approval of the ARU Board, who are not Directors but have specific skills or expertise that is relevant to the ToR of that Committee; and

(c) reviews the performance and effectiveness of Committees, the appropriateness of ToRs and membership annually, usually at the first meeting held after the AGM.

**5.13.3.** Committees do not have authority to speak, act for the ARU Board or make any decision except when formally given such authority in the ToR or by specific resolution of the ARU Board. The Chair of each Committee carries responsibility for ensuring that the principles outlined in this Charter are observed in the way that each Committee operates and performs its functions. Committees are responsible for advising and making recommendations to the ARU Board. All recommendations must be documented and communicated to the ARU Board during meetings to ensure transparency and accountability in decision-making.

**5.13.4.** The Chair of each Committee ensures that minutes of meetings are kept and are circulated to all Directors at the following ARU Board meeting. Each ARU Board meeting is provided with the minutes of Committee meetings. Chairs of Committees must ensure the ARU Board is informed about key issues arising from the Committee’s deliberations and, either personally or by delegation, ensure the Committee is represented at the ARU Board meeting and able to elaborate as required on issues of interest to the ARU Board.

**5.13.5.** The ToRs of all Committees are provided to Directors upon their appointment as part of induction. ToRs are also available to all Directors at any time. Each Director will ensure he or she is familiar with the role and functions of the Committees and with the membership of each Committee.

### **5.14. Experience and skill mix of Directors**

**5.14.1.** ARU seeks to ensure that the ARU Board as a whole contains the appropriate expertise, knowledge, experience and competence to support the strategic plans of the organisation in the near and longer terms, and to provide sound governance and stewardship for the organisation overall.

**5.14.2.** As an organisation inspired by and committed to further the work of ARU’s and for the purposes of good governance, we also seek to ensure wherever possible that the experience and skills of the ARU Board and Committees meet the current needs of ARU, and may include:

- (a) people who are directly involved with the automotive industry, the vocational education sector and/or the worked in large charities and not-for-profits and worked with ARU and/or have a long association with the organisation.
- (b) people with skills and experience in strategic partnerships and advocacy.
- (c) people with experience in growing organisations profitably, ethically, and sustainably, and with specific skills in resource mobilisation, business and commerce and financial management.
- (d) people with strong strategic capabilities and experience.
- (e) people with strong governance experience; and
- (f) a balance of men and women and a mix of life experience.

**5.14.3.** Each Director recognises and embraces the fact that the complement of skills within the ARU Board will need to change over time as the organisation grows and evolves. Directors will monitor their own contribution to the ARU Board to ensure their contribution remains relevant and active and will proactively consult with the Chair about their own role and contribution to assist with succession planning.

**5.14.4.** ARU's Board may choose to implement a Governance and Nominations Committee in the future. The Governance and Nominations Committee is explicitly charged with advising the ARU Board to ensure it reflects appropriate diversity and is comprised of the skills and expertise needed to guide the organisation in the realisation of ARU's vision in the near and longer terms.

#### **5.15. Gender mix of Directors**

**5.15.1.** ARU is strongly committed to gender equality in every aspect of its work and understands that gender equality can contribute to achieving its vision. ARU has an *Affirmative Action Policy*. The ARU Board is committed to achieving and maintaining gender diversity. Our goal is to ensure equal representation of men and women at all levels of governance, as this diversity strengthens decision-making and supports our commitment to inclusion.

**5.15.2.** The ARU Board recognises its key role in the realisation of gender equality at ARU. Specifically, the ARU Board understands that:

- (a) the 'tone from the top' heavily influences the culture of the organisation; and
- (b) the different perspectives that gender diversity presents may lead to increased ARU Board effectiveness.

**5.15.3.** The ARU Board has therefore adopted the principle of seeking equal representation of men and women in its board membership, with a target to be determined of achieving gender equality in the ARU Board composition.

**5.15.4.** In order to achieve this objective, the ARU Board will ensure all relevant policies and processes support this principle, including but not limited to, the ARU's *Board director recruitment and selection guidelines*.

### **PRINCIPLE 4 – BE ACCOUNTABLE TO OUR MEMBERS AND RESPECT THEIR RIGHTS**

**5.16.** We acknowledge the trust our members have placed in us, respect their rights to hold us to account, and pledge transparency in our relationship with them.

**5.17.** ARU is a membership-based organisation. Building this base is one of our important functions as Directors for three reasons:

**5.17.1.** The willingness of people to become members demonstrates that there is public support for the charter and work of ARU, and ongoing commitment to our vision and work.

**5.17.2.** ARU recognises that membership base potentially provides an important “pool” for future ARU Board members.

**5.17.3.** People who consciously choose to become members are likely to be willing to assist ARU in concrete ways if asked to do so and to be champions of the organisation in their personal and professional lives.

**5.18.** The ARU Board is committed to developing a diverse membership base so that:

**5.18.1.** ARU as a whole continues to reflect the ethos of ARU’s who attracted support from the automotive industry as a whole.

**5.18.2.** The ARU Board and Management have ready access to the range of skills and experience needed to ensure the organisation remains true to its charter and performs well.

**5.18.3.** The pool of resources available within the membership base as a catchment for future ARU Board and Committee succession is continually developed and evolves consistent with ARU’s strategic direction.

**5.19.** Given the nature of ARU’s work, efforts are particularly directed at encouraging membership from amongst the following groups:

**5.19.1.** people with skills and experience in the automotive sector.

**5.19.2.** people with experience in “growing” organisations and companies, and with skills in the areas of resource mobilisation, financial management and accountancy.

**5.19.3.** Aboriginal and Torres Strait Islander and other indigenous peoples, and other people with roots or connections in the communities and countries where ARU works.

**5.19.4.** people who are influential in relevant fields, or who have a track record in successful public advocacy.

**5.19.5.** people who have had a significant association with ARU, such as long-term supporters or former staff and consultants.

**5.20.** Directors will respect the rights of members as set out in both the Corporations Act and the Constitution, including their rights to:

**5.20.1.** nominate and elect Directors.

**5.20.2.** receive the Financial Statements, including the annual Director’s Report.

**5.20.3.** call and receive notices of general meetings, and propose resolutions; and

**5.20.4.** control the Constitution and any amendments to it.

**5.21.** The ARU Board will also ensure that ARU maintains openness and engagement with members, ensuring that they:

**5.21.1.** are sent a range of other materials and publications to keep them informed of ARU’s work and programs.

**5.21.2.** have opportunities to meet and mix with managers as well as with the ARU Board; and

**5.21.3.** receive open, honest, and prompt responses to all enquiries or comments.

## **PRINCIPLE 5 – MAKE PARTNERSHIP AND COLLABORATION THE HALLMARKS OF OUR WORK**

**5.22.** Recognising ARU’s commitment to collaboration in his work, and their determination to mobilise resources efficiently through cooperation, ARU will work through strong partnerships at both the governance and operational levels, emphasising cooperation and collaboration as central to the way we plan and work.



**5.23.** ARU's ambitious development goals propel and oblige ARU to develop and work through partnerships with people and organisations who share our goals and principles – in Australia, in the countries where we have programs, and globally.

## **PRINCIPLE 6 – BUILD RESOURCES AND A CULTURE OF FINANCIAL TRANSPARENCY**

**5.24.** We are committed to ensuring ARU has the resources to achieve agreed strategic objectives, and to making full and accurate information available about ARU's financial position.

**5.25.** The ARU Board is responsible for the financial health of the organisation. While the day-to-day work is delegated to the MD, medium and long-term financial and asset management strategies are developed in consultation with the ARU Board, and it is the ARU's Board responsibility to ensure they support the broader strategic objectives of the organisation. Directors commit to contribute to raising resources wherever their individual skills or contacts can be helpful.

**5.26.** The ARU Board is responsible for ensuring that Management has implemented processes and systems for the effective monitoring of the organisation's financial position and to ensure members and other stakeholders are able to obtain accurate, timely information in relation to ARU's affairs.

### **5.27. The ARU Board meets these obligations through:**

**5.27.1.** ensuring integrity in all financial reporting by monitoring the systems of financial management and control put in place by Management.

**5.27.2.** scrutinising and approving annual budgets to ensure they reflect agreed objectives and priorities and are based on realistic assumptions.

**5.27.3.** approving and regularly reviewing a *Capital & Investment Policy* to ensure future financial sustainability and an ability to meet all debts and obligations in the event the company is wound up.

**5.27.4.** receiving and reviewing quarterly management accounts to monitor progress against budget.

**5.27.5.** identifying major financial risks and ensuring they are managed effectively.

**5.27.6.** engaging external auditors to examine the annual financial accounts in accordance with Australian and International Accounting Standards and ensuring that any recommendations of the auditors are acted upon.

**5.27.7.** publicly disclosing any loans to or transactions with members of the ARU Board and requiring the MD to disclose to the ARU Board any loans to staff.

**5.27.8.** giving our members the full audited accounts as well as a verbal report from the Chair of the Finance and Audit Committee at the AGM where questions can be asked and answered.

**5.27.9.** publishing the audited accounts and an accessible summary on our website.

**5.27.10.** lodging the accounts and related reports with the required regulatory authorities within the required timeframes.

**5.27.11.** declaring any significant changes in the company's state of affairs in the annual Directors' Report which is mailed to members and published on our website; and

**5.27.12.** reviewing the ACNC standards annually to ensure continuing compliance with its financial management and disclosure requirements.

**5.28.** The Finance and Audit Committee assists the ARU Board to fulfil its obligations in these matters. It meets at least on a quarterly basis and reports to each ARU Board meeting.

## **PRINCIPLE 7 – IDENTIFY AND MANAGE RISK WITHOUT BEING RISK-AVERSE**

**5.29.** We are willing to take risks to achieve results but do so only with open eyes and when confident they can be satisfactorily managed.

**5.30.** The ARU Board sets and monitors the overarching risk appetite, policies and framework for the organisation and appoints and supports the MD who implements them and reports at least quarterly to the ARU Board.

**5.31. The ARU’s Board specific risk management responsibilities include:**

**5.31.1.** satisfying ourselves that Management has effective risk identification, disclosure, mitigation, and management systems and practices.

**5.31.2.** monitoring compliance with all legal, regulatory and code requirements.

**5.31.3.** establishing key policies in areas such as: safeguarding people including child protection; financial crime including fraud, counterterrorism, and anti-money laundering; limits and delegations of authority; sustainability; and protocols for managing crises.

**5.31.4.** ensuring that regular strategic planning processes identify any risks and uncertainties in the economic, societal, technological, regulatory, political and industry environments in which we work, and factoring these into our decision-making.

**5.31.5.** protecting the brand through a satisfactory trademark regime, and our human and physical assets through adequate risk management systems and insurance coverage.

**5.31.6.** considering the reasonable expectations of all stakeholders when determining what risks should be taken or avoided.

**5.31.7.** undertaking the financial risk management practices set out in Principle 6; and

**5.31.8.** ensuring the future viability of the organisation through effective ARU Board, Chair and MD succession planning.

**5.32.** Each of the ARU Board Committees has a role to play in risk identification, mitigation and management and in advising the ARU Board in this area.

### **5.32(a) WORK HEALTH AND SAFETY GOVERNANCE**

ARU recognises that the Board has a statutory duty under Work Health and Safety legislation to exercise due diligence to ensure ARU meets its WHS obligations. Directors must ensure:

- WHS risks are identified, assessed, and controlled.
- The Managing Director reports WHS performance quarterly.
- Notifiable incidents are escalated immediately.
- Adequate WHS resources, training and systems are in place.
- Consultation occurs with workers, including apprentices placed with host employers.

The Board must satisfy itself that all apprentices, employees and volunteers work in environments that are safe, lawful, and conducive to wellbeing.

## **PRINCIPLE 8 – STRIVE FOR GOVERNANCE EXCELLENCE AND CONTINUAL IMPROVEMENT**

**5.33.** We will challenge ourselves to achieve excellence in governance and will take active steps to enhance our performance as the ARU Board.

**5.34.** Ultimately, we are collectively accountable to ourselves as the ARU Board and individually to each other as Directors, and we take this accountability seriously. We are committed to understanding the factors that most affect quality in governance and to continually improving our performance.

**5.35.** The ARU Board employs the following mechanisms and processes to help with ensuring effective performance:

**5.35.1.** Wherever possible, interaction with ARU's managers, advisers and other field staff to deepen our understanding and keep us focused on their needs, operating environment and local challenges.

**5.35.2.** Meeting agendas that are carefully structured and timed to ensure we focus on policy and strategic matters and avoid crossing over into operational matters.

**5.35.3.** Regular skill and competency audits of the current Directors to identify gaps and weaknesses and how they can be addressed.

**5.35.4.** Annual review of any Board Committees.

**5.35.5.** A specific line item in the annual budget for the ARU Board and its work, and specific staff allocated to act as secretariats for the Board and each of its Committees.

**5.35.6.** Development of multi-year Strategic Plans.

**5.35.7.** Chair approval of all ARU Board development initiatives.

**5.35.8.** Individual ARU Board development initiatives will be signalled as an outcome of an annual performance discussion between the Chair and the ARU Board member.

**5.35.9.** A full induction program for new ARU Board members including the provision of a comprehensive Board Kit containing the Constitution, this Policy and history of the organisation, significant developments, organisation chart and staffing structure, all policies and other information relevant to the work and travel of directors and resumes of all directors and senior executives.

**5.35.10.** At the time of the preparation of the annual budget, the Chair will indicate the nature of the proposed ARU Board development activities required to be included for the ARU Board development in the coming year.

**5.35.11.** All ARU Board members will be encouraged to undertake an Australian Institute of Company Directors Course, or equivalent, within the first 12 months of their appointment. At the discretion of the ARU Board, financial support will be provided by ARU where necessary.

**5.35.12** All expenditures on the ARU Board activities will be disclosed in ARU's accounts and reported at the ARU Board meetings.

**5.36.** This will continue to remain an area of focus and continuing quality improvement.

## **PRINCIPLE 9 – NO WELFARE, EVANGELISM OR PARTISAN POLITICS**

**5.37.** ARU's principles of independence and self-sufficiency mean that we do not engage in or support welfare programs, evangelism, or partisan politics either in our own work or the activities and strategies we support and fund. ARU's funds and other resources designated are for the purposes of aid and development of our beneficiaries and will be used only for those purposes and will not be used to promote a particular religious adherence or to support a political party, or to promote a candidate or organisation affiliated to a political party.

### **WELFARE**

**5.38.** Welfare programs are typically:

**5.38.1.** run independently of other sustainable community development programs.

**5.38.2.** externally designed and directed by the donor rather than controlled by local agencies and service providers; and

**5.38.3.** long-term programs with no clear strategy for exiting.

**5.39.** ARU does not engage in or fund welfare programs of this type. While ARU may sometimes provide emergency relief in a disaster situation, this is a short-term response and is thus fundamentally different to long-term welfare interventions.

## **EVANGALISM**

**5.40.** Evangelism or evangelical purposes are activities or actions with the intention of promoting a particular religious adherence or converting individuals or groups from one faith and/or denominational affiliation to another. ARU upholding the right of any individual to choose and practice their religious faith or philosophy of life. This includes our own staff or others who form part of our organisation.

**5.41.** However, ARU is not associated with any religion or faith. We do not and will not support or implement programs or activities that are religious in nature or that persuade people (whether by design or accident) to join a particular religious faith.

**5.42.** In the event we engage with a religiously affiliated group, a non-negotiable pre-condition is that the religious activities undertaken by that partner are kept clearly separate from the activities supported by ARU. This pre-condition will be set out in all agreements with our partners and will require financial and program management processes that clearly demonstrate the separation. Any intentional and uncorrected breach of the agreement will result in the cessation of funds and involvement.

## **POLITICAL ACTIVITIES**

**5.43.** Political activities as activities that could be construed as being political are those that involve 'party' politics or partisanship. ARU upholds the right of any individual to participate in non-violent political activities and promote any political party. This includes our own staff or others who form part of our organisation, with the proviso that such activities must not be undertaken during ARU's time, while representing ARU, or using ARU's funds or other resources. The employee or associate must maintain a clear distinction between their private political participation and their work with ARU. Staff and partners must exercise care when using social media to make that any political views expressed are personal and are not those of ARU. ARU adhering to the principle of advocating from an evidence-based position and is transparent about the basis for the public positions we take.

**5.44.** ARU is not aligned with any political party, does not engage in party-political activities, and does not promote any candidate or organisation affiliated to a political party.

**5.45.** In the event that we engage with a legitimate political party or group, it is to increase the support for well justified positions. A non-negotiable pre-condition is that the political activities undertaken by that partner are kept clearly separate from the activities supported ARU, and that ARU's name and logo are not used in association with any partisan political activity. This pre-condition will be set out in all agreements with our partners and will require financial and program management processes that clearly demonstrate the separation. Any intentional and uncorrected breach of the agreement will result in the cessation of funds and involvement.

**5.46.** ARU also recognises that political processes are often part of the development process, and that policies developed and implemented by political parties can have a major impact. As a Nationally registered Group Training Organisation we are therefore involved education campaigns and alliances around issues relevant to development and use many forums and opportunities to advocate for better opportunities for apprentices and automotive business dealing with issues relating to skills shortages in the automotive industry.



## 6. ARU BOARD MEETINGS

**6.1.** The ARU Board meets at least quarterly for approximately 1,5 hours, usually at ARU's Head office. Dates for the following year's meetings are agreed by the quarter, with a draft calendar circulated in the July meeting. In addition, there may be at least one ARU's Board strategy day each year.

**6.2.** All meetings are minuted and recorded using software platform, Board Pro. After being formally adopted at the following ARU Board meeting, the minutes are signed by the Chair and placed on the Board Pro.

**6.3.** All meetings follow a formal agenda that is a combination of standard core items and specific strategic items for discussion. The precise agenda for each meeting is agreed between the Chair, the MD and the Company Secretary.

**6.4.** A set of board papers is produced for each ARU Board meeting in support of the agenda.

**6.5.** All ARU Board Documents, including ARU Board approved policies, meeting papers and minutes will be stored in a protected environment forever and will not be destroyed (Board Pro). In Australia Board documents may be stored electronically. Records in other jurisdictions will be managed as required by local law.

### 6.6. Board Meeting Protocols

- **Conflict of Interest Declaration:** All Directors must declare any actual, potential or perceived conflict at the start of each meeting.
- **Digital Governance:** ARU uses BoardPro for meeting agendas, minutes, circular resolutions, policy repository and secure document storage.
- **Voting Rules:** All Board decisions require a formal resolution recorded in minutes.
- **Attendance:** Directors are expected to attend no fewer than 75% of Board and Committee meetings unless leave is granted.
- **In-Camera Sessions:** The Chair may call an in-camera session to discuss matters relating to governance, risk, personnel or MD performance.

## 7. ANNUAL GENERAL MEETING (AGM)

**7.1.** The AGM must be held each year within six months of the end of the financial year and is usually held in late November/early December. The AGM provides an opportunity for members to engage with the ARU Board and contribute to key discussions. Members will be encouraged to participate actively and provide feedback to help shape ARU's strategic direction.

**7.2.** All Members of ARU must receive at least 21 days' notice of the time and venue of the AGM.

**7.3.** The following papers and forms must be attached to the notice of meeting:

#### 7.3.1 Agenda

#### 7.3.2 Annual Directors' Report (which includes the Annual Audited Accounts)

#### 7.3.3 Minutes and attachments from the previous year's meeting

#### 7.3.4 Summary Financial Report and Financial overview

#### 7.3.5 Nomination Form for vacant board positions (if any)

#### 7.3.6 Proxy Form

#### 7.3.7 Practical information (e.g., venue map, parking, and the dinner venue).

**7.4** Nominations for vacant Board positions must be lodged with the Company Secretary no later than 15 days before the AGM and they must be posted at ARU's registered office no later than seven days before the AGM.

**7.5** In the event that there are more nominations than vacancies and hence an election is required, a Returning Officer must be appointed by the Company Secretary and ballot papers prepared before the meeting.

**7.6** The ARU Board is committed to ensuring full financial transparency by implementing robust systems of financial reporting, auditing, and oversight. All financial decisions will align with ARU's strategic objectives and will be reviewed regularly to ensure the ongoing financial health of the organisation.

## **8. MEMBERSHIP NOMINATIONS AND RENEWALS**

### **8.1 MEMBERSHIP**

**8.1.1** The applicant, together with their proposer and seconder, must fill in and sign the Member Nomination Form.

**8.1.2** The application is reviewed by the ARU Board. The ARU board decides as to acceptance or rejection.

**8.1.3** The application must be determined at the next ARU Board meeting after the application has been received.

**8.1.4** If the ARU Board approves the application, a letter must be written to the new member advising him or her of the acceptance. This letter is signed by the Chair of the Board. A range of background information on ARU is also included with this letter.

## **9. RESPONSIBILITIES & ACCOUNTABILITIES**

### **9.1 Chairman and Board Directors**

**9.1.1** The Chairman is responsible for ensuring this Policy is upheld and will inform the Board of ARU's of any concerns relating to corporate governance that may present risk to ARU, its Personnel, beneficiaries, partners, reputation, operations or other activities.

**9.1.2** The Chairman will hold Directors accountable to this Policy.

**9.1.3** The Directors are responsible for upholding this Policy.

### **9.2 Managing Director**

**9.2.1.** The MD is responsible to inform the Board of ARU's of any concerns relating to corporate governance that may present risk to ARU, its Personnel, beneficiaries, partners, reputation, operations, or other activities.

**9.2.2.** will promote the existence of this Policy to all Personnel.

**9.2.3.** is responsible for monitoring and responding to any corporate governance risk or concerns arising within ARU's business activities.

**9.2.4.** is responsible to ensure the Policy complies with ARU's obligations and contemporary practice and will update this Policy as required.

**9.2.5.** will be responsible for addressing any issues arising in relation to this Policy and will be or arrange a point of contact for all Personnel for any issue of contention.

**9.2.6.** will inform the MD of any key risk to ARU regarding corporate governance and will record risks and incidents in the risk register.

## **10. MONITORING**

**10.1** This Policy will be reviewed every three years, and the Policy Owner is responsible to undertake this review.

**10.2** The ARU Board has oversight for all Governance and Operational Policy and will ensure the Policy is listed on the Policy Register and provide support to Policy Owner to ensure monitoring and reporting.

## **ANNEXTURE**

### **ANNEXURE 1 – ENTITY LIST**

- **Aperus Investments Pty Ltd**

### **ANNEXURE 2 – COMMITTEE TORS**

#### **TERMS OF REFERENCE**

#### **GOVERNANCE AND NOMINATIONS COMMITTEE**

##### **Role and Responsibilities**

The Committee has 3 main functions:

1. to ensure that ARU has effective governance structures and arrangements.
2. to build a strong membership base that contributes to achieving The Foundation's strategic goals; and
3. to provide oversight of corporate compliance, organisational culture and safeguarding in its areas of responsibility.

##### **Its governance responsibilities include:**

- Analysing the ARU's Board membership needs in the context of the organisation's current operations and planned future directions, increased diversity and ensuring that an appropriate succession plan is developed through discussion with the ARU Board.
- Directing the induction and continuing development of ARU Board members.
- Assisting the ARU Board to regularly review both its performance and that of its committees and providing guidance on quality improvement strategies.
- Reviewing, seeking, and providing advice and making recommendations to the ARU Board on matters such as:
  - a. Board size, composition, and succession planning.
  - b. Structure, terms of reference and membership of Board Committees.
  - c. Relations, governance, and operating mechanisms with any ARU's entities including as member, shareholder, partner, or other relationship.
  - d. Governance arrangements (such as licenses, structures and forums including compliance with applicable legal and regulatory advice). This includes approval, where permitted by local law, of the appointment of ARU Board directors and equivalent positions for related entities of ARU (where the decision of the Committee is not unanimous it will be referred to the full ARU Board for decision).
  - e. The performance and effectiveness of the ARU Board performance and development plans for individual ARU Board Directors.
  - f. Board budget including oversight of budget relating to
  - g. ARU Board and Committees.

##### **Its membership responsibilities include:**

- Overseeing development and implementation of strategies to expand the membership base of the ARU in the context of the agreed Strategy and the attached Guiding Framework for Membership Development.
- Reviewing all nominations for membership and making recommendations to the ARU Board regarding acceptance or rejection.
- Considering the demographics and skills of the membership base and taking steps to ensure that there is a good fit with the vision, strategic goals and needs of ARU.
- Ensuring steps are taken to engage members with the work of the organisation, finding ways they can contribute to the agreed strategic goals, and building their relationships with the ARU Board, staff, and each other.



**Its corporate compliance, organisational culture and safeguarding responsibilities include:**

- Identifying the need for and proposing any necessary changes to the Constitution.
- Working with Management to ensure the Annual General Meeting and ARU Board elections are conducted properly and well.
- Overseeing compliance with the Corporations Act, state/territory fundraising regulations, the Australian Charities and Not-for-profits Commission (ACNC) standards and any other material compliance requirements applicable from time to time.
- Supporting management to maintain full accreditation with ACNC.
- Supporting the ARU Board Chair in his/her annual review of the MD's performance and contract and making recommendations to the ARU Board in relation to this.
- Providing a reference group for the MD in relation to the remuneration of senior executives, and such other advice in this area as he/she may request.
- Supporting the ARU Board Chair in his/her annual review of the ARU's Board performance and effectiveness and making recommendations to the ARU Board in relation to this.
- Creating a culture of safeguarding at ARU and providing governance guidance for ARU in relation to safeguarding.

In relation to all three areas, the Committee will consider and raise with the ARU Board any other significant matters that are relevant to its general brief including matters relating to identifying and managing risk.

**Committee Membership**

The Committee will be convened and chaired by the Chair of the ARU Board. The ARU Board will appoint up to four other Directors to the Committee. While most of the Committee should always be Directors, the ARU Board may also appoint up to two members of ARU's if this is considered desirable. Members of ARU's who are appointed in this capacity must sign a confidentiality agreement with ARU and must disclose all (actual and potential) conflicts of interest prior to appointment.

The ARU Board will annually review the membership of the Committee following the AGM, and either confirm or change its membership.

**Practicalities**

The Committee will meet at least quarterly, preferably around two weeks before each ARU Board meeting. The quorum for meetings will be at least two ARU Board members who are members of the Committee. As a committee of the ARU Board, non-board members who are appointed to the Committee can speak to agenda items but do not have a vote in relation to them. All committee members are obliged to disclose any conflicts of interest at the beginning of each Committee meeting and absent themselves from any Committee discussions in which they have such a conflict of interest and comply with any directions of the ARU Board.

**Chair of the Committee**

All ARU Board members, the MD and the Company Secretary are invited to attend any / all Committee meetings at their own discretion. Any ARU Board member, who is not a member of the Committee, wishing to attend a committee meeting must notify the Committee Chair no later than 1 week prior to the scheduled meeting.

Minutes will be produced of all meetings and will be tabled for information at each ARU's Board meeting, noting that the Committee may conduct some of its business in camera. The Chair of the Committee will direct who will be excluded from in camera portions of the Committee meeting.

Secretariat support for the Committee will be provided by the Company Secretary, the Legal, Governance, Risk & Compliance team and assisted as necessary by other managers. The MD will attend meetings as and when possible.

## **GUIDING FRAMEWORK FOR MEMBERSHIP DEVELOPMENT**

In developing and supporting the membership base of ARU, the Committee will be guided by the following understandings.

### **1. Building the membership base of ARU is an important function of the ARU Board for three main reasons:**

- a. The willingness of people to become members demonstrates that there is public support for the charter and work of ARU. Membership complements the key indicator of industry support and commitment to the automotive industry and the development of apprentices in a skills shortage industry.
- b. People who consciously choose to become members are likely to be willing to assist ARU in concrete ways if asked to do so.

### **2. Conscious efforts should be made to ensure a diverse membership base so that:**

- The ARU Board and Management have ready access to the range of skills and experience needed to ensure the organisation remains true to its charter and performs well.

### **3. Given the nature of ARU work, and our needs in terms of resource mobilisation, efforts should be particularly directed at encouraging membership from amongst the following groups:**

- a. people with skills and experience in the automotive industry.
- b. people with experience in “growing” organisations and companies, and with resource mobilization.
- c. financial management and IT/e-learning skills.
- d. indigenous people, and other people in Australia.
- e. where ARU works.
- f. people who are influential in relevant fields, or who have a track record in successful public.
- g. advocacy; and
- h. people who have had a significant association with ARU, such as long-term supporters or former staff and consultants.

### **4. The right balance has to be found between a culture of openness towards new people and new ideas and preserving the original spirit of ARU and protecting its core work from unproductive disruption or distraction.**

The Constitution has a number of protective safeguards such as:

- limiting the total number of members to a minimum of 1 member.

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TERMS OF REFERENCE

FINANCE AND AUDIT COMMITTEE (FAC) – Proposed Committee.

### **Role of the Committee**

The Finance and Audit Committee (FAC or the Committee) supports the Board of ARU with the organisation’s governance and exercise of due care and diligence, in relation to its responsibilities in monitoring the ARU’s financial performance. The Committee provides technical and management expertise to allow the regular review and monitoring of the ARU’s financial position and the policies, systems and controls that support the management of the Foundation’s finances.

### **Authority and Accountability**

The Committee is a committee of the ARU Board. It is established pursuant ARU’s Constitution.

The Committee has no general authority to make decisions on behalf of the ARU Board, to approve expenditure or commit the organisation to activities or undertakings not otherwise approved by the ARU Board. However, the ARU Board authorises the Committee to:

1. Oversee the appointment, compensation and work of any registered company auditor engaged by ARU.
2. Resolve any disagreements between management and the auditor on financial reporting.
3. Pre-approve all audit and non-audit services prior to seeking ARU Board approval.
4. Seek any information it requires from employees directed to cooperate with the audit committee's requests.
5. Oversee the appointment, review and monitor the performance of any investment advisor under the terms of the Investment Planning Policy.
6. Seek any information it requires from external parties to advise on any matter within the Committee's responsibilities.

## **Responsibilities**

The Committee's specific responsibilities are set out below. These are not exclusive, and the Committee should ensure that any other matters required in order to fulfill their responsibilities to ARU are identified and managed as appropriate.

### **1. Financial status of the ARU**

The Committee will advise the ARU Board on financial management and reporting matters and make recommendations to the ARU Board as required. These matters will include:

- a. policies relating to financial management.
- b. the draft annual budget, including the appropriateness of underlying assumptions.
- c. ARU's regular financial reports including the internal processes, procedures, and systems on which they depend; and
- d. the solvency of ARU.

Any concerns should be advised to the ARU Board for their immediate attention.

### **2. External Audit**

The Committee will:

- a) monitor the independence of the external auditor.
- b) periodically review the appointment, terms of engagement and remuneration of the external auditor.
- c) meet with the external auditors to review the results of their audit work, including the adequacy and effectiveness of accounting and financial controls, the disclosures made in the notes to the accounts, and any issues identified by the external auditors regarding the Foundation's management, systems and controls; and
- d) review the audited annual financial statements before they are presented to the ARU Board, to monitor that they represent a true and fair view of the ARU's financial position and performance.

### **3. Internal Audit**

The Committee will:

- a) monitor the independence of the internal auditor.
- b) provide a structural reporting line for the internal auditor.
- c) review the internal audit plans, the results of those plans and the recommendations of the internal auditor.
- d) recommend matters to the ARU Board for decision where required; and

- e) monitor that the internal auditor is adequately resourced to undertake a strong and effective internal audit process.

#### **4. Risk Management**

The Committee will:

- a) monitor and assess the risk management system and its effectiveness, to ensure currency and its appropriateness for the Foundation.
- b) monitor and assess the strategies to address all risks outside of the risk appetite settings, recommend strategies to the ARU Board to manage identified risks within the risk domains of Financial Crime and Financial Management and support the ARU Board and other committees in assessing the mitigation approach to risks.
- c) monitor compliance with applicable laws, regulations, standards, contracts and best practice guidelines in relation to financial management.
- d) monitor that the financial management, controls and reporting of ARU meet all legal and regulatory requirements; and
- e) review the type and level of insurance coverage for ARU and make recommendations to the ARU Board as required.

#### **5. Capital, Reserves and Investments**

The Committee will advise the ARU Board on:

- a) appropriate capital and liquidity management policies and procedures to enable ARU to meet its commitments and implement the strategic plan; and
- b) appropriate investment strategies to protect ARU against unexpected events, economic downturns and other matters that could damage the Foundation's operations.

#### **Committee Membership**

The Committee is appointed by the Board and will be chaired by an appropriately qualified and experienced member of the ARU Board.

The Committee will consist of at least three directors, or up to eight, if the ARU Board believes that is necessary. The Committee Chair may recommend additional non-director members to the ARU Board to strengthen the Committee's skills and experience.

The ARU Board will review the membership of the Committee annually, following the Annual General Meeting, and either confirm or change its membership.

The term of appointment of the Committee members who are directors will coincide with their board tenure. The tenure of any other Committee members will be two years, with a maximum of three terms, at the discretion of the ARU Board.

#### **Other Attendees**

The Committee will invite any person to attend its meetings. The Managing Director, Financial Controller and Company Secretary will have standing invitations to meetings of the Committee. The Committee will extend other invitations as it requires. Management and other people attending Committee meetings may take part in the business and discussions including making recommendations to the Committee, but they have no right to vote on any matter. All other ARU Board directors have standing invitations to attend the Committee's meetings.

## Meetings and Administration

The Committee will meet at least four times in each calendar year preferably around two weeks before each ARU's Board meeting and hold additional meetings as required.

The quorum will be more than half of the director members of the Committee. Matters before the Committee will generally be decided by unanimous agreement, or, if there is any disagreement, by a majority of the director members present.

Conflicts of interest will be subject to ARU's policy.

The Committee meeting agenda will include an optional in-camera session to facilitate any discussions for directors only or with specific members of the management team. The Chair of the Committee will direct who will be included for the in-camera portions of the Committee meeting.

Minutes must be prepared, approved by the Chair and circulated to the members within two weeks of a committee meeting and presented to the next full ARU Board meeting.

## Reporting to the ARU Board

The Chair of the Committee will report to the ARU Board at the next ARU Board meeting, or sooner to the Chair of the ARU Board, if the Committee identifies matters that it wishes to be brought to the immediate attention of the ARU Board.

## Review

The Committee will review its performance annually, as either a self-assessment coordinated by the Chair or as otherwise directed by the ARU Board.

Training for members of the Committee should be identified and organised by the Chair of the Committee. The Committee should review these Terms of Reference and the composition of the Committee annually to ensure that the Board's objectives are fulfilled. The ARU Board should consider the Committee's review and recommendations relating to the composition and performance of the Committee.

## AUTHORISATION

Michael Wentworth



**Managing Director**

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## DOCUMENT CONTROL

Version	Authorised by	Authorisation Date	Sections	Amendment
1.1	M. Wentworth	27/12/2022	All	N/A
1.2	M. Wentworth	04/10/2024	All	Cover page, minor information update
1.3	M. Wentworth	27/11/2025	All	Information update