



**ASIA PACIFIC INTERNATIONAL COLLEGE PTY LIMITED**

A.C.N. 061 101 488

**GOVERNING BOARD CHARTER**

APPROVED BY THE GOVERNING BOARD

3 March 2017

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## **1 DOCUMENT PURPOSE**

Defines Asia Pacific International College's (APIC's) Governing Board roles, functions, and processes in the context of APIC's Constitution, including its Governance Framework.

The document's structure conforms to the best practice advice of the Australian Institute of Company Directors and further follows the Tertiary Education Quality Standards Agency's *Guidance Note on Corporate Governance* and *Guidance Note on Academic Governance*.

## **2 ALIGNMENT TO PROVIDER REGISTRATION STANDARDS, THE CORPORATIONS ACT AND THE THRESHOLD STANDARDS**

APIC's Governance Framework aligns with the requirements of the Higher Education Standards Framework (Threshold Standards) 2015 and its other statutory obligations.

## **3 APIC'S GOVERNANCE FRAMEWORK**

APIC's Constitution is its primary governance document (the Constitution).

The Constitution defines three principal components in APIC's institution-wide decision-making framework (summarised in Figure 1):

1. *The Governing Board*, led by an independent, non-executive Governing Board Chair (normally with high-level higher education experience and appointed by the College), which sets overall strategic directions and the framework of policies and procedures necessary to achieve APIC's objectives. It is ultimately responsible to shareholders and/or stakeholders for both corporate and academic outcomes.

In executing its responsibilities, the Governing Board shall establish a standing Academic Board, a standing Audit and Risk Committee, and a standing Governance Committee. Additionally, the Governing Board may establish *ad hoc* committees.

2. *The Academic Board*, led by an external Academic Board Chair (a retired or current senior level academic or academic executive, appointed by the Governing Board), which sets and oversees the policies and processes necessary

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to achieve intended academic outcomes (quality and integrity) consistent with the APIC's overall strategic directions. The Academic Board sets academic standards and monitors academic outcomes. Its ultimate responsibility and accountability is to the Governing Board. Its roles, functions and processes are defined both in the Constitution and in a separate Academic Board Charter.

In executing its responsibilities, the Academic Board shall establish a standing Teaching and Learning Committee and a standing Research and Scholarship Committee. It shall also periodically convene a Board of Examiners (supported by an Academic Review Committee and an Appeals Committee, both convened as required) as determined by the execution of the Academic Management Plan and Teaching and Assessment Plan. The Academic Board shall also convene, as required, a Course Advisory Committee.

3. *The Executive Management team*, led by the President and Principle Executive Officer, implements policies, programs and processes, including making decisions about staffing, budgets and infrastructure. Its ultimate responsibility and accountability is to the Governing Board for effective implementation of both corporate and academic objectives. The role of the President and Principal Executive Officer is outlined in §3.6 of this document. The Executive Management team's functions and processes are guided by the College's values, vision, mission and executed following the Business Plan, Strategic Plan, Academic Plan, Risk Management Plan and functional plans

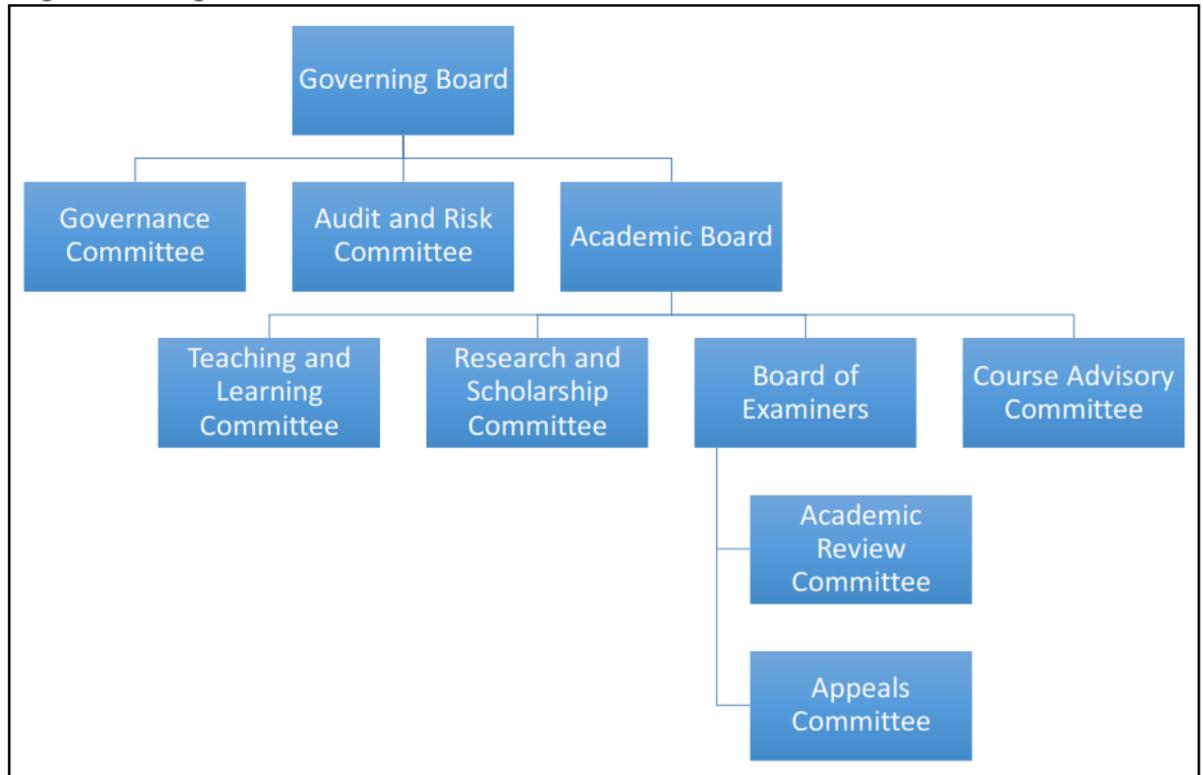
These components have interdependent and overlapping functions to some degree but, as the Threshold Standards require, their principal roles and responsibilities need to be defined and as distinct as possible to ensure that governance is effective. At the same time, there is an equally clear need for effective communication, cooperation and collaboration between the three principal components of institutional governance: that is, there are shared responsibilities necessitating a balance between separation and cooperation.

This separation is achieved at APIC by formal delegations from the Governing Board which has overarching responsibility for all operations.

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Figure 1: APIC's governance framework



## 4 GOVERNING BOARD ROLES

### 4.1 Governing Board Composition

The Governing Board shall have no less than five (5) voting members and no more than nine (9) voting members.

The Governing Body shall consist of the following persons:

- An independent, non-executive Director and Chair of the Governing Body appointed by the Company;
- An independent, non-executive Director Deputy Chair of the Governing Body appointed by the Company;
- Further independent, non-executive Directors appointed by the Shareholder;
- The Chair of the Academic Board of the College – an *ex officio* independent non- executive Director appointed the Governing Board;
- An executive Director who is a nominee of Education Centre of Australia Pty Limited (the sole shareholder);
- The President of the College – an *ex officio* executive Director; and
- A non-voting Company Secretary appointed by the Company.

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The Governing Board may invite other people to attend Committee meetings, as it considers necessary, and from time-to-time request presentations from internal and external advisers at its meetings.

The Chair or Deputy Chair of the Governing Body shall normally have high-level experience of higher education.

Of the independent, non-executive Directors, including the Chair and Deputy Chair, normally at least one shall have high-level experience of each of: higher education; economics, finance or accounting; and corporate governance, law or human resource management.

Persons appointed to Governing Board shall have high-level experience in the areas specified above, which requirement shall be satisfied by relevant experience at a senior managerial or professional level in the public or private sector. In all cases, they shall normally have expertise and experience relevant to the functions exercisable by the Governing Board and an appreciation of the object, values, functions and activities of the College.

The majority of members of Governing Board must be independent, non-executive, external persons.

In appointing Directors, the Company and the Governing Board must have regard to and consider the gender balance of the Governing Board, with the goal of the Governing Board to achieve gender balance over time.

The term of office of Directors shall be as follows:

- The Chair shall be appointed for an initial term of three years, and may be further appointed by the Company, subject to satisfactory performance against agreed performance indicators, for a further two successive three year terms (a maximum of nine years);
- The Deputy Chair shall be appointed for an initial term of three years, and may be further appointed by the Company, subject to satisfactory performance against agreed performance indicators, for a further two successive three year terms (a maximum of nine years);
- Independent, non-executive Directors not holding the Chair or Deputy Chair shall be appointed for an initial term of three years, and may be further appointed by the Governing Board, subject to satisfactory performance against agreed performance indicators, for a further one three-year term (a maximum of six years);

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- The term of appointment of the executive Director who is a nominee of Education Centre of Australia Pty Limited shall be determined by the Education Centre of Australia Pty Limited; and
- The President of the College shall sit as an executive Director of the College whilst holding the office of President.

#### 4.2 Role of the Governing Board

The Governing Board sets overall strategic directions and the framework of policies and procedures necessary to achieve APIC's objectives.

The Governing Board is ultimately responsible to shareholders and/or stakeholders for both corporate and academic outcomes.

Hence, the Governing Board's role is to supervise the College's operations in two broad areas:

1. *Overall business performance* — ensuring the College develops and implements strategies and supporting policies to enable it to fulfil the objectives set out in the College's Constitution. The board delegates the day to day management of the College to the Executive Management team, but remains accountable to the shareholders and/or stakeholders for the College's performance. The board monitors and supports Executive Management in an on-going way; and
2. *Overall compliance performance* — ensuring the College develops and implements systems to enable it to adhere to accounting standards and to comply with its legal and policy obligations, under the: *Corporations Act 2001; Tertiary Education Quality and Standards (TEQSA) Act 2011 (Cth); Higher Education Standards Framework (Threshold Standards) 2015; Education Services for Overseas Students Act 2000 (Cth); Education Services for Overseas Students Regulations 2001; National Code of Practice for Registration Authorities and Providers of Education and Training to Overseas Students 2007; and Higher Education Support Act 2003 (Cth).*

More specifically, the Governing Board must assure that the College complies with the obligations specified in the *Higher Education Standards Framework (Threshold Standards) 2015*, and outlined in §4.2 of this Charter.

In relation to Standard 6.1.3, TEQSA will wish to see the mechanisms that the governing body has adopted to obtain independent advice and academic advice as is necessary to carry out its governance roles diligently and competently. TEQSA will also want to see the governing body's delegations of authority and the mechanisms it adopts to assure itself that such delegations are implemented and are operating effectively

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#### **4.3 Role of Individual Governing Board Directors**

##### *4.3.1 Role of Independent, Non-Executive Directors*

The role of APIC's independent, non-executive directors is to:

- Ensure that the College is effectively governed, specifically by ensuring that the separation and cooperation of the functions and processes of the Governing Board, Academic Board, and the Executive Management team is effective and compliant;
- Formulate the College's strategic direction;
- Recruit and monitor the performance of the President and Principal Executive Officer;
- Review, approve and monitor the business plan and annual budget;
- Contribute to the development of board and organisational policies;
- Comply with the legal requirements of being a director;
- Comply with legal and regulatory requirements of running the College;
- Monitor and mitigate the risks facing the College;
- Participate in the Governing Board's Audit and Risk, and Governance Committees;
- Identify skills required by the board and potential candidates;

Independent, non-executive directors shall fill the roles of Governing Board Chair and Governing Board Deputy Chair.

##### *4.3.2 Characteristics of an independent member*

An independent member of a governing body is a person who is independent from management (i.e. is not an executive director) and who does not have (or intend to have) any material or significant dealings with the company that could interfere with the exercise of independent judgement as a director.

The following points encompass a selection of characteristics that are seen to be indicative of the 'independence' of a director. The director:

- has not had an employment relationship with the provider within the last three years has not had a business relationship or other material contractual relationship with the provider within the last three years
- does not have a direct or indirect material financial interest with the provider
- is not involved in the day-to-day management functions of the provider and not allied with the interests of management
- is sufficiently impartial and disconnected from provider's operations, such that they are in position to hold management to account and act in the organisation's best interests

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- does not have a material personal interest (i.e. doesn't stand to gain, benefit or suffer a loss) in the outcome of a Board meeting
- is free of any interest, position, association or relationship that might influence, or
- reasonably be perceived to influence, their capacity to exercise independent judgement
- has not been a director with the provider for such a period (e.g. ten years) that their independence may have been compromised.

#### 4.3.3 *Role of Executive Directors*

The role of the executive directors is similar to that of non-executive directors. However, they add value to the Governing Board through their:

- Deep knowledge of the business, its strategy and direction;
- Deep knowledge of the industry and the competitive pressures;
- Technical expertise in their functional area, e.g. finance, accounting, law; and
- Greater access to company information than non-executive directors.

Executive directors shall not sit on the Governing Board's Audit and Risk Committee.

#### 4.4 **Role of the Governing Board Chair**

The role of the Governing Board Chair within Governing Board and Governing Board Committee meetings is to:

- Act as an important link between the Governing Board and the College without inhibiting direct access of fellow directors;
- Establish and maintain an effective working relationship with the President and Principal Executive Officer;
- Set the tone for the Governing Board, including the establishment of a common purpose;
- Chair Governing Board meetings efficiently and shaping the agenda in relation to goals, strategy, budget and executive performance;
- Obtain appropriate information to present to the Governing Board;
- Encourage contributions by all Governing Board members, and seeking consensus when making decisions;
- Motivate Governing Board members and where appropriate deal with under- performance;
- Institute the process for appraising Governing Board members individually and the Governing Board as a whole;
- Oversee negotiations for the President and Principal Executive Officer's employment

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- Evaluate the President and Principal Executive Officer's performance;
- Plan for the succession of senior executives, including the President and Principal Executive Officer;
- Assist with the selection of Governing Board Committee members.

The Governing Board Chair shall not sit on the Governing Board's Audit and Risk Committee.

Outside of Governing Board and Committee Meetings the role of the Governing Board Chair is to communicate with shareholders and/or stakeholders on matters of corporate governance, advice on strategic direction, investment options, risk mitigation etc.

#### **4.5 Role of the Company Secretary**

The company secretary plays an important role in supporting the effectiveness of the Governing Board by monitoring that Governing Board policy and procedures are followed, and coordinating the timely completion and dispatch of Governing Board agenda and briefing material, and Governing Board minutes.

All Governing Board directors have access to the Company Secretary.

The Company Secretary is accountable to the Governing Board, through the Governing Board, on all governance matters.

#### **4.6 Role of the President and Principle Executive Officer**

The President and Principal Executive Officer leads the Executive Management team and manages the day to day operations of the College, its people and resources. The President and Principal Executive Officer implements the strategy approved by the Governing Board and ensures that the College's structure and processes meet the strategic and cultural needs of the College.

The Governing Board's most important role is to appoint and work with the President and Principal Executive Officer. In practice the two are mutually dependent. The Governing Board relies on the President and Principal Executive Officer to provide input into strategic development, implement strategy, communicate management's perspective and alert the Governing Board to the growing issues and risks. The President and Principal Executive Officer relies on the Governing Board for clear direction, mentoring and support.

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Specifically, the President and Principal Executive Officer is responsible for:

- Developing and recommending business plans for the board's consideration;
- Submitting reports, budgets and financial statements to the board;
- Implementing all approved plans, policies and programs and achieve agreed targets;
- Overseeing the financial management of the organisation;
- Maintaining awareness of the business, economic and political environment as it affects the organisation;
- Overseeing the effective operation, administration and development of the company;
- Protecting and enhancing the image and reputation of the company;
- Ensuring compliance with legal and regulatory obligations.

The President shall further provide administrative support to the Governing Board Chair and Company Secretary to ensure efficient and effective functioning of the Governing Board.

## **5 KEY GOVERNING BOARD FUNCTIONS**

### **5.1 Business Performance**

#### *5.1.1 The Board and Strategy*

Under the requirements of HESF 2015 the Governing Board shall develop and approve a Strategic Plan and monitor its effectiveness.

The Governing Board shall review the Strategic Plan and supporting business plans and budgets at least once annually to ensure that it is current and effective.

The Governing Board shall review the execution of the Plan by the Executive Management team against key performance indicators at each ordinary Governing Board meeting.

#### *5.1.2 The Board and the President*

The Governing Board shall appoint the President and Principal Executive Officer.

The Governing Board shall monitor the performance of the President and Principal Executive Officer.

The Governing Board may remove the President and Principal Executive Officer from office for incompetence or conduct where there is a persistent failure to uphold the

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objectives of the College or where in the opinion of the Governing Board the conduct of the President brings or likely to bring the College into disrepute.  
into disrepute.

## 5.2 Compliance Performance

As noted earlier, the Governing Board shall ensure that the College complies with its legal and policy obligations, under the: *Corporations Act 2001*; *Tertiary Education Quality and Standards (TEQSA) Act 2011 (Cth)*; *Higher Education Standards Framework (Threshold Standards 2015)*; *Education Services for Overseas Students Act 2000 (Cth)*; *Education Services for Overseas Students Regulations 2001*; *National Code of Practice for Registration Authorities and Providers of Education and Training to Overseas Students 2007*; and *Higher Education Support Act 2003 (Cth)*.

More specifically, the Governing Board must ensure that the College complies with the obligations specified in the *Higher Education Standards Framework (Threshold Standards) 2015*.

### 5.2.1 Risk Management

The HESF 2015 requires the Governing Board to monitor potential risks to the provider's higher education operations regularly and ensure that strategies are in place to mitigate them.

APIC's Governing Board shall ordinarily monitor operational risks four times a year through regular review of its Risk Plan and Risk Register, led by the Governing Board's Audit and Risk Committee.

The President and Principal Executive Officer shall alert the Governing Board to consider severe, acute risks at any time.

### 5.2.2 Delegations

The HESF 2015 requires appropriate delegations to be in place and regularly reviewed.

The Governing Board shall establish a comprehensive list of delegations. The Governing Board shall monitor and reviews its delegations list at least twice a year, led by the Board's Governance Committee.

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*5.2.3 Academic Governance*

Under the requirements of HESF 2015 the Governing Board shall ensure that academic governance structures and processes are in place and operating effectively.

Responsibility for academic governance at the College is delegated to the College's Academic Board, the roles and responsibilities of which are articulated in the Academic Board Charter.

The Governing Board shall assess the conduct and assure the performance of Academic Board at least twice a year, led by the Governing Board's Governance Committee.

*5.2.4 Maintaining Academic Standards*

Under the requirements of HESF 2015 the Governing Board jointly with the Academic Board shall ensure that the College has structures and processes in place to maintain academic standards.

Primary responsibility for the maintenance of academic standards in APIC are delegated by the Governing Board to APIC's Academic Board. The conduct and performance of Academic Board is monitored and reviewed by the Governing Board's Governance Committee.

*5.2.5 Quality Assurance*

Under the requirements of HESF 2015, the Governing Board shall ensure that quality assurance arrangements are in place and operating effectively.

Primary responsibility for the maintenance of academic standards in APIC are delegated by the Governing Board to APIC's Academic Board. The conduct and performance of Academic Board is monitored and reviewed by the Governing Board's Governance Committee.

The assurance of the quality of non-academic processes is monitored by the Governing Board, through its Audit and Risk Committee.

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### **5.3 Monitoring**

In summary, the Governing Board is responsible for monitoring:

- The College's organisational performance against strategic goals and objectives;
- Financial performance against forecast and prior periods, including approval of the annual financial report, and the liaison with external auditors by the Audit and Risk Committee;
- The performance of the President and Principal Executive Officer.
- Compliance performance against the HESF 2015.

Monitoring shall be conducted through reviewing reports to the Governing Board provided by the Governing Board's Audit and Risk Committee, the Governing Board's Governance Committee, the Academic Board, the Executive Management team (through the President), *ad hoc* committees established by the Governing Board, and external experts appointed by the Governing Board.

### **5.4 Policy Framework**

The Governing Board shall establish a policy framework enabling the Governance Framework to function effectively. The policies shall be enacted through plans developed by the Governing Board and its committees, by Academic Board and its committees, and by the Executive Management team.

### **5.5 Networking**

The Governing Board shall engage in advancing the interests of the College through participating in business, academic and policy networks relevant to the business and operations of the College.

### **5.6 Stakeholder Communication**

The Chair of the Governing Board shall brief the shareholders on the performance of the College following each Governing Board meeting.

The President shall develop a communication policy for the consideration of the Governing Board, which shall aim to advance the the interests of the College in the media.

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## **5.7 Decision-making**

All the decisions and approvals are ideally on a consensus basis. In the absence of consensus, the Governing Board shall make its decision based on the majority of votes of those members present. In the absence of a majority the Chair has the casting vote.

## **6 IMPROVING GOVERNING BOARD PROCESSES**

### **6.1 Governing Board Meetings**

In order to function effectively and to improve its processes, the Governing Board shall endeavour to:

1. Robustly debate agenda items, specifically challenging the President and Principal Executive Officer, in order to improve decision-making;
2. Minimize personal friction and tensions between Governing Board directors during Governing Board and Committee meetings;
3. Work together as a team;
4. Work at an appropriate level of strategic involvement, so ensuring the separation of governance and executive management; and
5. Address decisions comprehensively through seeking data and expert opinion, and by thoroughly exploring decision alternatives.

In order to meet these aspirations:

1. Whilst under the Constitution the Governing Board Chair and Deputy Governing Board Chair are appointed by the Company, the Governing Board shall be actively involved in selecting new Governing Board directors, limiting, but not ignoring the influence of the executive directors;
2. The Governing Board whilst delegating elements of its duties to the Academic Board and Governing Board Committees, shall remain cognisant that it is ultimately responsible for the the College's overall business performance and overall compliance performance, and that its members should discharge their duties in accordance with their statutory obligations;
3. The Governing Board shall require the Company Secretary and President and Principal Executive Officer in supporting the Governing Board to follow best practice in the development of the Governing Board agenda, papers and minutes, and specifically that Governing Board materials are meaningful and, wherever possible, concise;
4. Governing Board and Governing Board Committee papers shall be issued to enable adequate time to prepare for meetings;

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5. The Chair shall follow best practice in the conduct of Governing Board meetings, specifically:
  - Clarifying expectations of behavior
  - Ensuring that meetings are not overscheduled and that time is left for directors to discuss issues and engage in robust debate
  - Facilitating meetings to improve involvement in debate
  - Soliciting expert opinion to enrich decision-making
  - Periodically meeting without the executive directors
  - Regularly pose probing 'big-picture' questions to the President
6. The Governing Board shall establish criteria for the strategic decisions that the Governing Board will address;
7. The Governing Board shall develop an induction process for new directors to be assimilated on the Governing Board; and
8. All directors are reasonably expected to attend all meetings.

The Governing Board shall ordinarily meet four times per year on a date and time according to a pre-established schedule or extraordinarily when necessary at the call of the Governing Board's Chair.

Members of the Governing Board may participate in ordinary or extraordinary meetings via video conferencing or by telephone.

Extraordinary meetings may be convened electronically via circular resolution through email, as per the Constitution.

#### *6.1.1 Quorum*

The quorum of members of the Governing Board necessary for the transaction of business shall be half of the number of Directors, plus one, provided that independent, non-executive Directors are in the majority.

#### *6.1.2 Chair*

All meetings shall be chaired by the Governing Board Chair and in their absence by the Governing Board Deputy Chair. By exception, where neither the Chair nor Deputy Chair is present an independent, non-executive director shall be elected Acting Chair by those directors present.

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## **6.2 Governing Board Meeting Agenda**

The Governing Board meeting agenda will conform to best practice as specified by the Governance Institute of Australia, guided by the advice of the Company Secretary in consultation the Governing Board.

## **6.3 Governing Board Papers**

In preparing Governing Board papers, the Company Secretary, supported by the President and Principal Executive Officer shall ensure that:

- Board papers are written in plain English, with minimal use of acronyms and industry jargon (provide a glossary of acronyms if required)
- Board papers share a consistent format and layout include a summary, background and more detailed content, in an accessible font and font size, clarify upfront whether the matter is for information, for discussion or for decision and where a decision is being sought, contain a clear recommendation from management and the exact wording of the proposed resolution directors are being asked to consider
- If directors are being asked to pass a resolution, the board paper should clearly articulate the pros and cons and material risks of each alternative open to the board
- Board papers articulate how any matter on which a decision is being sought is aligned with the strategic plan
- Board papers contain sufficient information to provide for an informed decision by directors
- Board papers do not include so much information that the critical elements are obscure Include a clear reference to any supplementary information (this could be a link in electronic board papers)
- Board papers are dated and include the author's name and title, and the name and title of the authorising executive or senior manager
- Board papers be reviewed by the Chair of the Governing Board.

The amount of supplementary material shall be carefully considered and shall be appropriate to the Governing Board and the College.

Governing Board papers shall normally be issued approximately one week before the Governing Board meeting.

Normally Governing Board papers shall be issued electronically, with hard copies issued on request. The Company Secretary shall keep a secure hard copy of all papers.

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Documents may, by exception, be tabled. However, this is discouraged and shall be kept to an absolute minimum. Should a majority of directors require the opportunity to read and consider tabled documents, at the discretion of the Governing Board Chair, the meeting shall be adjourned to allow them to do so.

The practices and principles previously outlined shall apply to papers prepared for the Governing Board standing and *ad hoc* committees.

#### **6.4 Minutes**

The Governing Board shall record proceedings of each meeting.

The Chair will circulate draft minutes to the Governing Board members within five working days of the meeting they record.

Draft minutes will be subject to confirmation at the next meeting of the Governing Board. The Chair shall sign the confirmed minutes

#### **6.5 Governing Board Calendar**

A Governing Board calendar specifying dates of Governing Board and Governing Board Committee meetings for a given year shall be issued at the last meeting of the previous year.

The Governing Board calendar shall take account of Academic Board calendar and of dates associated with the Governing Board's statutory and regulatory obligations.

#### **6.6 Standing Committees of the Governing Board**

The purpose of establishing Standing Committees is to enable the Governing Board to discharge its responsibilities on a continuing basis and interact closely with the Executive Team in the achievement of the College goals and objectives.

The Governing Board shall establish an Academic Board. The terms of reference of the Academic Board are detailed in APIC's Academic Board Charter.

The Governing Board shall further establish an Audit and Risk Committee and a Governance Committee. The delegated terms of reference and membership for each of the Standing Committees will be reviewed on an annual basis, the Charters for which are laid out as follows, based on regulatory and statutory

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requirements, and best practice as defined by the Australian Institute of Company Directors.

*6.6.1 Audit and Risk Committee Terms of Reference*

Role

The Governing Board's Audit and Risk Committee examines any matters about the financial affairs of the APIC and the external audit that it considers necessary, and reviews and makes recommendations to the Board in relation to APIC's risk appetite and risk management framework. The Committee also examines any other matters referred to it by the Board.

Responsibilities

The specific responsibilities of the Audit and Risk Committee include, but are not limited to:

1. Monitoring and reviewing APIC's performance against its risk management plan, proposing corrective actions to APIC policies and procedures where required;
2. Monitoring and reviewing APIC's operational and financial delegation to ensure that these are effective and appropriate, proposing corrective actions to APIC policies and procedures where required;
3. Monitoring APIC's performance against academic standards through reviewing its performance vis-a-vis the Academic Management Plan, Teaching and Assessment Plans, Board of Examiners Minutes, and Assessment Policy and Practice, which includes nominating a representative to observe at least one Academic Board meeting annually and nominating a representative to observe at least one Board of Examiners meeting annually, proposing corrective actions to APIC policies and procedures where required ;
4. Monitoring APIC's operational performance against its strategic and functional plans to assure quality of provision, proposing corrective actions to APIC policies and procedures where required
6. Monitoring the conduct of the Board against the requirements of the Corporations Act, proposing corrective actions to APIC policies and procedures where required; and
7. Monitoring APIC's performance against the HESF 2015 to assure compliance, proposing corrective actions to APIC policies and procedures where required.

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### Meetings

The Audit and Risk Committee meets at least four times a year or when necessary at the call of the Committee Chair. Meeting dates and times will normally be specified a year in advance, but will be at least three weeks ahead of Governing Board meetings.

### Members

The Audit and Risk Committee shall comprise at least three (3) members and no more than four (4) members:

- An independent, non-executive director, elected by a majority of the independent, non-executive Governing Board directors, who shall act as Chair of the Committee; and
- At least two more non-executive Governing Board directors.

The executive directors shall not sit on the Audit and Risk Committee.

The Committee may invite other people to attend Committee meetings, as it considers necessary, and from time-to-time request presentations from internal and external advisers at its meetings.

The non-voting secretary of the Committee is the APIC Company Secretary, or another person nominated by the Committee Chair.

The Governing Board may remove any member from the Committee at any time with or without cause.

### Program of Work

The Committee shall conduct audits and prepare reports as required by the Governing Board's regulatory and statutory requirements, and specified in the Governing Board's annual program of work.

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#### 6.6.2 *Governance Committee Terms of Reference*

##### Role

The Governance Committee provides for the Governing Board's effectiveness and continuing development.

##### Responsibilities

The specific responsibilities of the Governance Committee include, but are not limited to:

1. Recommending to the Governing Board policies and processes designed to provide for effective and efficient governance, with specific reference to the formulation of APIC's Strategic and Business Plans and their execution against key performance indicators, proposing corrective actions to APIC policies and procedures where required;
2. Reviewing and monitoring Academic Board's conduct, which includes nominating a representative to observe at least one Academic Board meeting annually and nominating a representative to observe at least one Board of Examiners meeting annually, proposing corrective actions to APIC policies and procedures where required;
3. Reviewing and recommending a position description detailing responsibilities of and expectations for Governing Board members and the Governing Board Chair;
4. Overseeing nominations or the selection of candidates for election and re-election to the Governing Board, including the Chair of the Governing Board;
5. Overseeing the Governing Board's annual self-assessment and improvement process, including reviewing its Charter; and Monitoring the performance of the President and Principle Executive Officer.

##### Meetings

The Governance Committee meets at least four times a year or when necessary at the call of the Committee Chair. Meeting dates and times will normally be specified a year in advance, but will be at least three weeks ahead of Governing Board meetings.

##### Members

The Governance Committee shall comprise at least three (3) members and no more than five (5) members:

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- An independent, non-executive director, elected by a majority of the Governing Board directors, who shall act as Chair of the Committee; and
- Between two (2) and four (4) further directors, such that independent, non-executive directors are in the majority.

Where the Governance Committee is to discuss the appointment, reappointment or performance of the any of its members, that member will recuse themselves from this discussion. Should this be the Chair of the Committee, the Committee members will elect an interim Chair for the purposes of the discussion.

The Committee may invite other people to attend Committee meetings, as it considers necessary, and from time-to-time request presentations from internal and external advisers at its meetings.

The non-voting secretary of the Committee is the APIC Company Secretary, or another person nominated by the Committee Chair.

The Board may remove any member from the Committee at any time with or without cause.

#### Program of Work

The committee will receive and review reports as required by the Governing Board's regulatory and statutory requirements, and specified in the Governing Board's annual program of work.

## **7 BOARD EFFECTIVENESS**

### **7.1 Director Protection**

The indemnification of Governing Board directors is covered under Rule 34 of the Constitution.

APIC's directors are further protected under the provisions of Education Centre of Australia's Directors and Officers insurance policy.

### **7.2 Board Evaluation**

The Governing Board shall have its performance evaluated at least annually by an independent, external authority with expertise in assessing board performance.

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Further the Governing Board shall review Constitution, Governing Board Charter and Academic Board Charter (in consultation with the Academic Board) annually to ensure that these documents are effective and compliant.

### **7.3 Director Remuneration**

The Directors of the Company shall be paid the remuneration that the Company in general meeting determines by resolution. The Company may also pay the Director's travelling and other expenses that they properly incur in any of:

- attending Directors' meetings or any meetings of committees of Directors;
- attending any general meetings of the Company; and
- in connection with the Company's business.

### **7.4 Director Selection**

All non-executive directors shall be appointed by the Company.

Appointments will normally be made through a conventional recruitment process in which an open advertisement is placed, based on the role descriptions given in §3 of this Charter, followed by shortlisting and interviews with non-executive directors. In the case of the Chair and Deputy Chair candidates shall be interviewed by the company.

The Company reserves the right to appoint all the Directors by invitation.

### **7.5 Director Induction**

The Governing Board's Governance Committee shall commission the design and development of a Governing Board director induction program.

### **7.6 Director Development**

Based in part on the outcomes of regular Governing Board evaluations, the Governing Board's Governance Committee shall assess the professional development requirements of the Governing Board as a whole and of individual directors. Based on the requirements the Governing Board shall enact and fund a reasonable and appropriate program of professional development for the Board as a whole and for individual members.

If, as a result of looking in detail at the governing body's activities, TEQSA is satisfied that the governing body is: competent, diligent and effective in attending to the

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breadth of its governance responsibilities as required by the HES Framework, and able to demonstrate that it is well informed about the provider's operations, risks and sustainability through its internal assurance mechanisms, this will build TEQSA's level of confidence in the provider overall.

This confidence may allow TEQSA to reduce its evidence requirements for other Standards or for subsequent regulatory activities. On the other hand, if concerns are raised in relation to the provider's capabilities in corporate governance or its internal assurance mechanisms, this may require TEQSA to probe other areas of the provider's operations in more detail where the provider is not already doing so effectively as part of its own routine governance and monitoring work.

***END OF  
DOCUMENT***