

Board Charter

Digital Skills Organisation Limited ACN 641 892 382 trading as the Future Skills Organisation

1. Introduction

- 1.1 This is the charter of the board of directors (**Board**) of the Digital Skills Organisation Limited, ACN 641 892 382 trading as the Future Skills Organisation (**Company**).
- 1.2 The Board is responsible for the corporate governance of the Company.
- 1.3 The purpose of this charter is to:
- (a) promote high standards of corporate governance;
 - (b) clarify the role and responsibilities of the Board; and
 - (c) enable the Board to provide strategic guidance and effective oversight and management of the Company in accordance with:
 - (i) its Constitution including the objects of the Company set out in Rule 2.1 of the Constitution; and
 - (ii) the Company's Grant Functions and its Jobs and Skills Council (JSC) Program Guidelines, Performance Framework and Code of Conduct
- 1.4 The objects of the Company set out in Rule 2.1 of the Constitution include the following:
- (a) vision of providing innovative and world-leading approaches to designing and delivering vocational training and skilling across the Finance, Business and Technology (**FTB**) Industry Sectors in Australia.
 - (b) 'skilling' in this context refers to the ability to apply knowledge in a workplace setting within the FTB Industry Sectors and may refer to:
 - (i) developing digital and business skills which are common across all industries and types of employment;
 - (ii) delivery of skills through:
 - (A) employers and industry groups who describe the need for skills in the workplace;
 - (B) training providers;
 - (C) state and Federal Governments who govern the National Training System; and
 - (iii) skills training delivery through schools and higher education facilities.
 - (c) purpose requiring curating and initiating projects and strategic initiatives in skilling people for work;
 - (d) in line with its vision and purpose:

- (i) undertaking workforce planning to understand and address workforce challenges and prioritise initiatives;
 - (ii) developing training products that meet evolving industry needs and reflect the reform agenda of the Australian Government;
 - (iii) driving improvements in the development and delivery of training, education and assessment through the implementation, promotion, and monitoring of initiatives; and
 - (iv) providing a strong, strategic industry voice and acting as steward for the Industry Sectors; and
 - (e) the Board may support the Company to do all things that are necessary, convenient, or incidental to carrying out, or for the attainment of its vision, purpose and objects.
- 1.5 This charter is supported by the JSC Code of Conduct, the Company's code of conduct, any terms of reference and/or the charters for the Board's sub-committees, and the Company's policies in respect of risk management and diversity, among other things.
- 1.6 To the extent that there is any inconsistency between this charter and the Company's Constitution, the Constitution will prevail to the extent of that inconsistency.

2. Board size and composition

- 2.1 The Board must comprise a minimum of three and no more than 12 Directors., with the ideal number being 9.
- 2.2 The Board must be comprised of:
- (a) a majority of Independent Directors;
 - (b) at least 2 Employee Representative Directors; and
 - (c) at least 2 Employer Representative Directors.
- 2.3 Based on this required composition, there are 10 Director Roles provided for under the Company's current Constitution:
- (a) 6 Director Roles for Independent Directors;
 - (b) 2 Director Roles for Employee Representative Directors; and
 - (c) 2 Director Roles for Employer Representative Directors.
- 2.4 The Board may elect to appoint up to 4 Board Appointed Independent Directors.
- 2.5 An Independent Director is one who meets the requirements of an Independent Director (as nominated by DEWR) and who is, in accordance with rule 1.3 of the Constitution:
- (a) free of any interest, position or relationship that might influence, or reasonably be perceived to influence, in a material respect their capacity to bring an independent judgement to bear on issues before the Board;
 - (b) to act in the best interests of the Company as a whole rather than in the interests of an individual Member or other party; and
 - (c) hold the relevant skills, qualifications and/or experience for the Director Role.

- 2.6 Employee Representative Directors are Directors who are nominated to represent the interests of employees and their unions, and who are elected by the Employee Representative Members in accordance with rule 7 of the Constitution.
- 2.7 Employer Representative Directors are Directors who are nominated to represent the interests of employer organisations, and who are elected by the Employer Representative Members in accordance with rule 8 of the Constitution.
- 2.8 Board Appointed Directors are Directors appointed by the Board as additional Directors for a fixed term appointment not exceeding one year.
- 2.9 The Board will regularly assess whether each Independent Director is independent, and each Independent Director must provide to the Board all information relevant to his or her assessment in this regard. If a director's Independent status changes, it will be immediately disclosed.

3. Board composition and skills matrix

- 3.1 Skills such as leadership and previous experience as a chief executive officer (CEO), chair or board member of a similarly sized organisation to that of the Company have traditionally been prerequisites to appointment as Director.
- 3.2 In addition to the required qualities of an Independent Director set out in clause 2.5 and the Employee Representative Directors set out in 2.6 and Employer Representative Directors set out in 2.7 above, the Board recognises that other skills gained from experience in the following areas are key skills and experience that the Board as a whole should seek to comprise:

Critical Skills

- (a) Financial industry experience
- (b) Technology industry experience
- (c) Business industry experience
- (d) Education and training sector experience
- (e) Operating in a Tripartite (Government, employer and employee) environment
- (f) Strategy oversight
- (g) Corporate and governance experience

General Skills

- (h) Innovation and disruption oversight
- (i) Major change and transformation oversight
- (j) Systems and Strategic Workforce Development
- (k) Policy, research and data strategy
- (l) Technology and data oversight

4. The Board's role and responsibilities

- 4.1 The Board must act in the best interests of the Company and is accountable to uphold the Company's Constitution.

- 4.2 The Board must monitor the operational and financial position and performance of the Company and oversee its business strategy. In conducting business with these objectives in mind, it is the role of the Board to seek to ensure that the Company is properly managed, and that the Company, its directors, officers and personnel operate in an appropriate environment of corporate governance.
- 4.3 The Board must adopt relevant internal controls, risk management processes and corporate governance policies and practices which it believes are appropriate for the Company and which are designed to promote the responsible management and conduct of the Company.
- 4.4 The powers and functions of the Board solely reserved for exercise by the Board are:
- (a) approval of:
 - (i) the Company's strategy and annual budget
 - (ii) significant changes to the organisational structure of the Company;
 - (iii) the acquisition, establishment, disposal, or cessation of any significant assets of the Company; and
 - (b) the appointment, re-appointment, or replacement of:
 - (i) the Chief Executive Officer (CEO); including determining the CEO's remuneration and entitlements (in addition to any entitlements required by law); and
 - (ii) the Secretary.
- 4.5 Other responsibilities of the Board include:
- (a) overseeing the Company, including providing leadership, defining the Company's purpose, and setting its strategic objectives, and overseeing implementation by the Company of such strategic objectives and its performance generally;
 - (b) approving the Company's statement of core values and code of conduct which underpin the desired culture within the Company;
 - (c) appointing the Chair;
 - (d) ratifying the appointment of senior executives of the Company, following approval being given by the CEO for the appointment of such individuals;
 - (e) where appropriate, ratifying organisational changes and approving remuneration policies and practices to ensure that they are aligned with the Company's purpose, values, strategic objectives, and risk appetite;
 - (f) approving succession plans for the Company's management;
 - (g) monitoring senior executives' performance and ensuring that appropriate resources are available;
 - (h) approving and monitoring corporate, financial, and other reporting systems, and overseeing their integrity;
 - (i) approving and monitoring systems of risk management, accountability, internal compliance and control, and legal compliance to ensure that appropriate compliance frameworks and controls are in place;
 - (j) setting the risk appetite within which the Board expects the Company to operate;

- (k) reviewing performance, operations and compliance reports from the CEO and Chief Financial Officer, including reports and updates on strategic issues and risk management matters;
 - (l) evaluating the performance of the Board and the Company's management both collectively and individually;
 - (m) reviewing and overseeing the implementation of the JSC Code of Conduct for directors and all other employees
 - (n) approving the charters of Board committees;
 - (o) monitoring and ensuring compliance with all legal and regulatory requirements and ethical standards and policies and otherwise monitoring the effectiveness of the Company's governance practices; and
 - (p) any other responsibilities as prescribed by law or are determined by the Board from time to time.
- 4.6 In carrying out its responsibilities and functions, the Board may delegate any of its powers, other than those powers and functions set out in clause 4.4 above, or any others required by law to be dealt with by the Directors of the Board, to a Board committee, a Director or other person as permitted by section 198D of the Corporations Act.
- 4.7 Notwithstanding clause 10 below, the Board may at any time remove or modify any powers delegated to the CEO.

5. Board committees

- 5.1 The Board may establish either or both of the following committees to assist it in promoting the efficient and effective governance of the Company or furthering its objects as set out in Rule 2.1 of the Constitution and otherwise carrying out its responsibilities, sharing detailed work and to consider certain issues and functions in detail:
- (a) committees with powers delegated by the Board, comprising of only Directors (**Board Committees**); and
 - (b) advisory committees, with no delegated powers of the Board, to advise the Board on specified matters (**Advisory Committees**),
- 5.2 The Board may develop terms of reference to govern each Committee's operations, with the meetings and proceedings of Committees, subject to any specific terms of the Board and to the greatest extent practical, governed by the rules of the Constitution regulating meetings and proceedings of the Board.
- 5.3 The Board must publicly disclose to the Members of the Company:
- (a) the nature and purpose of any Committees established;
 - (b) whether the Committee is a Board Committee or an Advisory Committee; and
 - (c) the members of any such Committee, including details of the relevant qualifications and experience of the Committee Members.
- 5.4 All members of a Board Committee must be Directors and subject to the restrictions applying to the delegation of Board powers and functions under rule 13 of the Constitution and referred to above in clause 4, and as otherwise permitted under

section 198D of the Corporations Act, the Board may delegate any of its powers and functions to a Board Committee.

- 5.5 A Board Committee which is delegated the power and functions of the Board is not permitted to further sub-delegate these powers or functions.
- 5.6 A member of any Advisory Committee does not need to be a Director or Member, but at least one member of any Advisory Committee established must be a Director.

6. Nominations and Remuneration Committee

6.1 The Board is to establish a Nominations and Remuneration Committee; and develop and make publicly available to the Members a copy of the terms of reference for the Nominations and Remuneration Committee.

6.2 The Nominations and Remuneration Committee's functions must include:

- (a) reviewing the nominations received by the Company for potential Directors considering the skills matrix adopted by the Board to determine the skills, experience and expertise required for the members of the Board; and
- (b) making recommendations to the Board as to those nominees who are appropriate to be considered as candidates for election or appointment as Directors (as the case may be).

6.3 The Nominations and Remuneration Committee must:

- (a) be a Board Committee; and
- (b) have four members, comprised of the Chair of the Board; one (1) Independent Director (who is not the Chair of the Board); one (1) Employee Representative Director; and one (1) Employer Representative Director; and
- (c) be chaired by the Chair of the Board.

7. Finance, Risk and Audit Committee

7.1 The Board is to establish a Finance, Risk and Audit Committee (FRAC); and develop and make publicly available to the Members a copy of the Terms of Reference for the FRAC and publicly disclose to the Members of the Company, the relevant qualifications and experience of the members of the Audit and Risk Committee.

7.2 The FRAC's functions must include reviewing the appropriateness of the Company's financial reporting, performance reporting, system of risk oversight and management and the system of internal controls for the Company.

7.3 The FRAC must be a Board Committee, have at least 3 members and otherwise be comprised of a majority of Independent Directors, and be chaired by an Independent Director, who is not the Chair of the Board.

7.4 At the end of each reporting period, the Company must disclose to the Members, the number of times, the FRAC met throughout the reporting period and the individual attendances of the members at those meetings.

8. Member Selection Panel

- 8.1 In accordance with Clause 4 of the Member By-laws and Rule 14 of the Constitution, the Board is to establish a Member Selection Panel (MSP) as an Advisory Committee of the Board; and develop and make publicly available to the Members a copy of the Terms of Reference for the MSP and publicly disclose to the Members of the Company, details of the relevant qualifications and experience of the MSP committee members.
- 8.2 The MSP committee members must review any Member applications to the Company with reference to the Eligibility Requirements for Members, set out under the Constitution, the Member By-Laws and the MSP Terms of Reference and advise the Board on the applications for Company membership received.
- 8.3 The MSP as an Advisory Committee to the Board, will be comprised of the Chief Executive Officer of the Company; an officer of the Company ('FSO Officer Member'); 1 Employer Representative Director; 1 Employee Representative Director; and 1 subject matter expert and will always include a minimum of 1 Director committee member.

9. Chair

- 9.1 The Board is to elect a Director as Chair.
- 9.2 The Chair must be an Independent Director as defined by Rule 1.3 of the Constitution.
- 9.3 Subject to Rule 18.5(c) of the Constitution, the Chair will chair all Board meetings while they hold such office.
- 9.4 Rule 18.5 (c) of the Constitution provides that if there is no Chair or the Chair is not present within 15 minutes after the time for which a Board meeting is called or is unwilling to act, the Directors present must elect an Independent Director present to chair the meeting.
- 9.5 The Chair is responsible for leading the Board and for promoting constructive and respectful relationships between Directors and between the Board and management. The Chair will also be responsible for liaising with and communicating the Board's position to both Department of Employment and Workplace Relations (or any successor Department) and the public.

10. CEO and executive team

- 10.1 Subject to clause 4.6, responsibility for day-to-day management and administration of the Company is delegated by the Board to the CEO and the management team.
- 10.2 The CEO manages the Company in accordance with the strategy, plans and policies approved by the Board.
- 10.3 The CEO is appointed by the Board.
- 10.4 The responsibilities of the CEO include, among other things:
 - (a) developing and recommending to the Board strategies, plans and annual budgets for the Company;
 - (b) approving the appointment and replacement of senior management;
 - (c) implementing the strategies, business plans and budgets adopted by the Board;

- (d) providing effective leadership, direction, and supervision of the management team to achieve the strategies, plans and budgets adopted by the Board;
 - (e) ensuring compliance with all applicable laws and regulations;
 - (f) ensuring that the Board is given sufficient information in a form, timeframe and quality that will allow it to be effective in performing its functions, setting strategies, monitoring performance, and discharging its duties; and
 - (g) acting within authority delegated by the Board.
- 10.5 The Board has in place procedures to regularly assess the performance of the CEO and the management team.

11. Independent Directors

The Independent Directors (unless such Director is conflicted in regard to the matter) should consider the benefits of conferring regularly, including at scheduled sessions or as otherwise required by the circumstances.

12. Conflicts

- 12.1 Each Director must comply with the general law in respect of disclosure of conflicts of interest or duties and the requirements of DEWR set out in the Company's Conflict of Interest Policy and the JSC Code of Conduct.
- 12.2 Directors must:
- (a) disclose to the Board any actual or potential conflict of interest or duty, or matter that may bear on their independence, that might reasonably be thought to exist as soon as the situation arises;
 - (b) take all necessary and reasonable action to resolve or avoid any actual or potential conflict of interest or duty; and
 - (c) comply with all applicable law and the Company's constitution and with section 191 of the Corporations Act in relation to disclosing material personal interests and restrictions on voting.
- 12.3 If a conflict exists, it is expected that any Director to whom the conflict relates will recuse himself or herself when the Board is discussing any matter to which the conflict relates.
- 12.4 Directors are expected to inform the Board chair of any proposed appointment to the Board or executive of another company as soon as practicable.

13. Access to information and independent advice by Directors

- 13.1 Directors have access to any information that they consider necessary to fulfil their responsibilities and to exercise independent judgment when making decisions.
- 13.2 Directors have access to:
- (a) The CEO and management team to seek explanations and information; and
 - (b) auditors (if appointed) to seek explanations and information from them without the CEO and management being present.

- 13.3 At the expense of the Company, and with the approval of the chair, Directors may seek any independent professional advice that they consider necessary to fulfil their responsibilities and to exercise independent judgment when making decisions in accordance with the procedure agreed by the directors.
- 13.4 As appropriate, any such advice received will be provided to the whole Board.

14. Approved and adopted

This charter was initially approved and adopted by the Board on 11 September 2023 with minor revisions made to charter on and from 20 November 2025 to align with amended Constitution approved and adopted by Members on 20 November 2024.