

BOARD HANDBOOK

POLICY DOCUMENT

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1 AIRAH Strategic Direction

1.1 Our Vision

HVAC&R for a better world

1.2 Our Mission

To lead and Australian HVAC&R industry that is highly skilled, safe, and sustainable.

1.3 Our Goals

AIRAH is pursuing three primary goals. They are to:

- Break down silos and close the knowledge gap between disciplines.
- Refresh and modernise AIRAH's brand to better reflect its lead role and promote the HVAC&R industry.
- Represent the industry and present the collective voice of our members.

More information on AIRAH's 2023-2025 strategic plan may be found [here](#).

2 Purpose

This document provides an overview of the role of the AIRAH Board and the expectations and duties of its Directors in setting direction and oversight of the business.

3 About AIRAH

[Our Organisation](#)

[Our Memorandums of Understanding](#)

4 About the AIRAH Board

The Corporations Act 2001 provides that “the business of a company is to be managed or under the direction of the directors”. Collectively, the Directors are known as a [Board of Directors](#).

5 AIRAH Regulatory Hierarchy

Corporations Act 2001 All other applicable legislation (H&S, consumer, privacy, employment, etc.) and regulations
Common law (court cases, precedents)
AIRAH Constitution
Board resolutions (policies)
Management policies

6 Board Charter

6.1 PART 1 – INTERPRETATION

Act	Corporations Act 2001 (Commonwealth).
Associate Director	An Institute member who is elected to the position of Associate Director by the Institute members in a division or by the Institute members in a Special Technical Group.
Annual convention	A meeting held annually at a time and place to be nominated by the Board to be attended by the Associate Directors from whom the Directors are elected.
By-laws	The written rules for conduct of the association. By-laws generally provide for meeting rules, procedures for elections of a board of directors, filling vacancies, notices, removal of directors, termination of membership, and other routine conduct. By-laws are, in effect a contract among members, and must be notified to members within 30 days of being formally adopted and/or amended as per the constitution.
Board	Those persons comprising the Board of Directors and Officers of the Institute in accordance with the AIRAH Constitution, who shall form the governing body of the Institute.
Chief Executive Officer	The person appointed by the Board in accordance with the Corporations Act but otherwise for such term, and upon such conditions as the Board thinks fit; to manage the Institute under the direction of the Board and in accordance with this Constitution, the by-laws and all policies of the Institute.
Delegations of authority	The limitations on the actions of management as set out in section 4.3 – Management limitations.

Degree	A degree at the bachelor level or other tertiary qualification approved by the Board.
Division	A group of Institute members who are established in any state as a division by the Board.
Institute member	A person or entity who is a member, a student member, an associate member, an affiliate member, a fellow, a life member, an honorary member, a company member or falls within another category of membership included within the AIRAH Constitution.
Management	The management personnel of AIRAH.
Industry	The heating, ventilation, air conditioning, refrigeration, and any other industry related to building services.
Institute	The Australian Institute of Refrigeration, Air Conditioning and Heating Inc.
Membership	The group of individuals who are members, student members, associate members, affiliate members, fellows, life members, honorary members, company members, and any other Institute members included within the AIRAH Constitution.
Non-voting Institute members	Student members, affiliate members, company members, and any other category of membership excluding those categories that fall within the definition of voting members.
President	The President of the Institute elected in accordance with the AIRAH Constitution.
Property	Intellectual, personal, real, and leasehold property, and includes plant and machinery.
Secretary	The company secretary or the person normally exercising the functions of a company secretary.

6.2 PART 2 – ORGANISATIONAL GOALS

More information on AIRAH's strategic direction may be found [here](#).

6.3 PART 3 – BOARD GOVERNANCE PROCESS

3.1 Role of the Board

- 3.1.1 The role of the Board is to effectively represent and promote the interests of members with a view to adding long-term value to AIRAH.
- 3.1.2 Having regard to its role, the Board will direct and supervise the management of the business and affairs of AIRAH including, in particular:
- Ensuring that AIRAH's goals are clearly established, and that strategies are in place for achieving them (such strategies being expected to originate, in the first instance, from management)
 - Establishing policies for strengthening the performance of AIRAH including ensuring management is proactively seeking to build the business through innovation, initiative, technology, new services/products, and the development of its business capital
 - Monitoring the performance of management
 - Appointing the CEO, setting and reviewing the terms of the CEO's employment contract and, where necessary, termination of the CEO's employment
 - Deciding on whatever steps are necessary to protect AIRAH's financial position and the ability to meet its debts and other obligations when they fall due, and ensuring that such steps are taken
 - Ensuring that AIRAH's financial statements are true and fair and otherwise conform with law
 - Ensuring that AIRAH adheres to high standards of ethics and corporate behaviour, and
 - Ensuring that AIRAH has appropriate risk management/regulatory compliance policies in place.
- 3.1.3 In the normal course of events, day-to-day management of AIRAH will be in the hands of management.
- 3.1.4 The Board will satisfy itself that AIRAH is achieving its goals.

3.2 The Board's relationship with members

- 3.2.1 The Board will use its best endeavours to familiarise itself with issues of concern to members.

- 3.2.2 The Board will regularly evaluate economic, political, social, and legal issues and any other relevant external matters that may influence or affect the development of the business or the interests of members and, if appropriate, will take outside expert advice on these matters.

3.3 Board procedures

- 3.3.1 The conduct of Directors will be consistent with their duties and responsibilities to AIRAH and to members. The Board will be disciplined in carrying out its role, with the emphasis on strategic issues, governance and policy. Directors will always act within any limitations imposed by the Board on its activities.
- 3.3.2 Directors will use their best endeavours to attend Board meetings and to prepare thoroughly. Directors are expected to participate fully, frankly, and constructively in Board discussions and other activities and to bring the benefit of their particular knowledge, skills and abilities to the Board table. Directors unable to attend a meeting will advise the President at the earliest date possible and confirm in writing to the secretary.
- 3.3.3 Board discussions will be open and constructive, recognising that genuinely held differences of opinion could, in such circumstances, bring greater clarity and lead to better decisions. The President will, nonetheless, seek a consensus in the Board and will always call for a vote. All discussions and their record will remain confidential unless otherwise required by law. Subject to legal or regulatory requirements, the Board will decide the manner and timing of the publication of its decisions.
- 3.3.4 The CEO will attend all Board meetings to discharge his or her responsibilities. However, the Board should schedule at every meeting time to discuss matters without management's presence and during these times the CEO and any other attendees who are employees will absent himself or herself from that portion of the meeting.
- 3.3.5 The Board has sole authority over its agenda and exercises this authority through the President. Any Director may, through the President, request the addition of an item to the agenda. The President, in consultation with the CEO, will set the agenda.
- 3.3.6 The Board will normally hold meetings no less than quarterly commencing no later than February and will hold additional meetings, as the occasion requires. At each meeting, AIRAH's Interests Register will be updated as necessary, and the Board will consider:
- An operational report from the CEO
 - Financial reports from the accountant
 - Reports on the activities in each of AIRAH's functional or project areas
 - Specific proposals for capital expenditure and acquisitions, and
 - Major issues and opportunities for AIRAH.

In addition, the Board will annually, as per the Board workplan:

- Review the organisation business plan
- Review organisation goals
- Review the strategies for achieving AIRAH's goals
- Approve the annual budget
- Approve the annual financial statements, reports to members and public announcements
- Approve the annual report
- Review the Board composition, structure, and succession
- Review AIRAH's audit requirements
- Review the performance of, necessity for, and composition of Board committees
- Undertake Board and individual Director evaluations

- Review Directors' expenses
- Review the CEO's performance and remuneration
- Review remuneration policies and practices in general, including superannuation and incentive schemes for management
- Review risk assessment policies and controls, including insurance covers and compliance with legal and regulatory requirements
- Review AIRAH's Code of Professional and Ethical Conduct
- Settle the following year's Board workplan.

- 3.3.7 Where necessary, Directors are expected to be available to participate in discussions via telephone and/or email between Board meetings.
- 3.3.8 Directors are entitled to have access, at all reasonable times, to all relevant organisational information, and to management.
- 3.3.9 Directors are expected to strictly observe the Privacy Act 1998 and Corporations Act 2001 provisions applicable to the use and confidentiality of organisational and individual information.
- 3.3.10 In making policy, the Board will not reach specific decisions unless it has considered the context in which the policies will operate and will utilise the rational problem-solving methodology* to ensure robust decision-making.

** A systematic, step-by-step method in which "hard" (quantitative) data obtained through observation or mathematical (statistical) analysis or modelling, used for making long-term decisions. See more: http://en.wikipedia.org/wiki/Rational_planning_model*

3.4 The President

- 3.4.1 Each year, the Board will elect, from among the Directors, a President at the first Board meeting after the AGM.
- 3.4.2 The Board may appoint an acting President in the President's absence, or at his or her request.
- 3.4.3 The President is responsible for representing the Board to members.
- 3.4.4 The President is responsible for ensuring the integrity and effectiveness of the governance process of the Board, as set out in this Part 3 – Board governance process.
- 3.4.5 The President is responsible for maintaining regular dialogue with the CEO over all operational matters and will consult with the remainder of the Board promptly over any matter that gives him or her cause for major concern.
- 3.4.6 The President will act as facilitator at meetings of the Board to ensure that no Director dominates discussion, that appropriate discussion takes place, and that relevant opinion among Directors is forthcoming. The President will ensure that discussions result in logical and understandable outcomes.

3.5 Board committees

- 3.5.1 Board committees will be formed only when it is efficient or necessary to facilitate efficient decision-making.
- 3.5.2 Board committees will observe the same rules of conduct and procedure as the Board unless the Board determines otherwise.

- 3.5.3 Board committees will only speak or act for the Board when so authorised. The authority conferred on a Board committee will not derogate from the authority delegated to the CEO.
- 3.5.4 The Board has one standing committee, namely the Audit, Finance, Policy and Risk Committee (AFPRC). Other committees are formed for specific purposes and disbanded as required. The purposes and membership of the standing committee is as follows:
- The committee provides a forum for the effective communication between the Board and the external auditors. The AFPRC reviews the annual and half-yearly financial statements prior to their approval by the Board, the effectiveness of management information systems and systems of internal control, and the efficiency and effectiveness of the external and internal functions
 - The AFPRC consists of least three Board members, Chief Executive Officer, Chief Operating Officer, and Finance Manager.

3.6 Board composition and mix

- 3.6.1 The composition of the Board will reflect the duties and responsibilities it is to discharge and perform as representative of the interests of members, and in setting AIRAH's strategy and seeing that it is implemented.
- 3.6.2 Generally, the qualifications for Board membership are the ability and intelligence to make sensible business decisions and recommendations, an entrepreneurial talent for contributing to the creation of member value, the ability to see the wider picture, the ability to ask the hard questions, preferably a mix of diverse experience in the industry sector among elected Directors, high ethical standards, sound practical sense, and a total commitment to furthering the interests of members and the achievement of AIRAH's goals.
- 3.6.3 Appointed Directors will be active in areas which enable them to relate to the strategies of AIRAH and to make a meaningful contribution to the Board's deliberations. They will be independent of management and free from any business or other relationship which could materially interfere with the exercise of their independent judgment.
- 3.6.4 The size of the Board will be such that the common purpose, involvement, participation, harmony, and sense of responsibility of the Directors are not jeopardised. It must be large enough to ensure a range of knowledge, views, and experience. Generally, the number of Directors will be a maximum of six (6). These are elected to the Board by the Associate Directors nominated from divisions or Special Technical Groups at the annual convention. At its discretion, the Board may appoint an additional Board member, designated the Discretionary Board appointment for a one-year term.

In principle, no individual shall be a Director for more than six (6) years consecutively, excluding time spent completing the remaining term of a vacating Director. A Board Director may complete a vacated Director position once during their term*.

** To be confirmed at next constitution review.*

- 3.6.5 Subject to any limitations imposed by members, it is anticipated that all Directors will hold office initially for a two (2) year term following their first appointment (or, if appointed by the Board between annual meetings, from the date of the meeting next following the appointment), subject to any obligation to retire by rotation in accordance with AIRAH's Constitution. As per the Constitution, no director shall hold office for more than six (6) years consecutively.
- 3.6.6 In the event of an elected Director's membership with AIRAH terminating for whatever reason, the Director is expected to resign from the Board or may be terminated immediately by the members following the procedures in s203D and s203E of the Act.

3.7 Induction of new Directors

- 3.7.1 Potential Directors are encouraged to carry out "due diligence" on AIRAH before accepting an appointment to the Board.
- 3.7.2 On their first appointment, Directors will have the benefit of an induction programme aimed at deepening their understanding of AIRAH and the business and the environment and the markets in which AIRAH operates. As part of the programme, Directors will receive access to essential Board and organisation information and will meet key management. It is expected that new Directors attend a minimum of two Board meetings as an observer before their tenure commences.
- 3.7.3 Directors are expected to keep themselves abreast of changes and trends in the business and in AIRAH's environment and markets, and to keep abreast of changes and trends in the economic, political, social, and legal climate generally.

3.8 Directors' expense

- 3.8.1 Charities that are companies registered with ASIC that omit the word "limited" from their company name must not pay their Board members fees.
- 3.8.2 Payment of reasonable expenses is different to payment for services. Board members can be reimbursed (paid back) for reasonable expenses they incurred while carrying out their duties. For more information, please see section 9 for the board travel and expense policy.
- 3.8.3 The organisation will disclose Directors' expenses in the annual financial reports to the members.

3.9 Provision of business or professional services by Directors

- 3.9.1 Because a conflict of interest (actual or perceived) may be created, Directors should not, generally, provide business or professional services of an ongoing nature to AIRAH.
- 3.9.2 Notwithstanding the general rule, AIRAH is at liberty:
- To a special assignment, engage the services of any Director having special expertise in the field, or
 - Engage the services of an employee from a Director's organisation.

- 3.9.3 If the terms of engagement are competitive, they will be clearly recorded and all legal requirements for disclosure of the engagement are properly observed (including the Interests Register disclosure).

3.10 Other Board appointments

- 3.10.1 Any Director is, while holding office, at liberty to accept appointments to the Boards of other organisations so long as the appointment is not in conflict with the business and does not detrimentally affect the Director's performance as a Director. All other appointments must first be discussed with the President before being accepted and must be disclosed in the Interests Register.

3.11 Independent professional advice

- 3.11.1 If a Director considers that independent professional advice relating to the affairs of AIRAH or to his or her other responsibilities as a Director of AIRAH is necessary, the Director shall first discuss it with the President and, after agreeing the terms, shall be free to proceed.
- 3.11.2 Subject to the prior approval of the President, the cost of the advice will be reimbursed by AIRAH but the Director will ensure, as far as practical, that the cost is reasonable. All such advice will be made available to all Directors and the CEO unless they are the subject of the advice.

3.12 Board and Director evaluations

- 3.12.1 The Board will, each year, critically evaluate its own performance and its own processes and procedures to ensure that they are not unduly complex and are designed to assist the Board in effectively fulfilling its role.
- 3.12.2 Each year, the Board determines the questions to be asked of Directors for evaluating the performance of the Board as well as other Directors individually, including the President. Each Director answers the questions in writing, and the responses are collated by an independent third party who will discuss the results with each individual Director and/or the collective Board, whichever is the subject of the evaluation. The third party may produce, if asked, a written summary report of the findings and make recommendations for addressing deficiencies and improving Director and/or Board performance.

3.13 Indemnities and insurance

- 3.13.1 AIRAH will provide Directors with, and will pay the premiums for, indemnity and insurance cover while acting in their capacity as Directors, to the fullest extent permitted by the Act.

3.14 The company secretary

- 3.14.1 The appointment of a company secretary shall be made on the recommendation of the President and must be approved by the Board as one is required under s204A (2) for a public company.

- 3.14.2 The secretary is responsible for ensuring that Board procedures are followed, that the applicable rules and regulations for the conduct of the affairs of the Board are complied with and for all matters associated with the maintenance of the Board or otherwise required for its efficient operation.
- 3.14.3 All Directors, particularly the President, have access to the advice and services of the secretary for the purposes of the Board's affairs and the business of AIRAH.
- 3.14.4 A position description for the company secretary shall be approved by the Board and used as criteria for evaluating the company secretary's performance. The company secretary shall report directly to the President and all Board members shall have input into the performance evaluation and agree the evaluation which the President discusses with the company secretary.

6.4 PART 4 – BOARD/MANAGEMENT RELATIONSHIP

4.1 Position of CEO

- 4.1.1 The Board will coordinate AIRAH's governance and management functions through the CEO.
- 4.1.2 All Board authority conferred on management is delegated through the CEO so that the authority and accountability of management is the authority and accountability of the CEO so far as the Board is concerned. The Board must agree to levels of sub-delegation below the CEO and this shall be recorded in the Delegations of Authority Policy.
- 4.1.3 The Board will agree with the CEO to achieve specific results directed towards AIRAH's goals. This will usually take the form of an annual performance plan under which the CEO is authorised to make any decision and take any action within the management limitations of the Delegations of Authority and other governance policies, directed at achieving AIRAH's goals.
- 4.1.4 Between Board meetings, the President maintains an informal link between the Board and the CEO, expects to be kept informed by the CEO on all important matters, and is available to the CEO to provide counsel and advice where appropriate.
- 4.1.5 Only decisions of the Board acting as a body are binding on the CEO. Decisions or instructions of individual Directors, officers or committees are not binding except in those instances where specific authorisation is given by the Board. Instances of individual Directors giving unauthorised instructions or taking such decisions shall constitute a serious breach of a Director's duties and be subject to termination of appointment by the members.

4.2 Accountability of CEO to Board

- 4.2.1 The CEO, in association with the President, is accountable to the Board for the achievement of AIRAH's goals, and the CEO is accountable for the observance of the management limitations.
- 4.2.2 At each of its scheduled Board meetings, the Board should expect to receive from or through the CEO:
- The operational and other reports and proposals referred to in paragraph 3.3.6, and
 - Such assurances as the Board considers necessary to confirm that the management limitations are being observed.

4.3 Management limitations

- 4.3.1 The CEO is expected to act within all specific authorities delegated to him or her by the Board in the Delegations of Authority and other governance policies and Board resolutions.
- 4.3.2 The CEO is expected to not cause or permit any practice, activity or decision that is contrary to commonly accepted good business practice or professional ethics.
- 4.3.3 In allocating the capital and resources of AIRAH, the CEO is expected to adhere to AIRAH's goals, values, and policies.
- 4.3.4 The CEO is expected to not cause or permit any action without considering the health, safety, environmental and political consequences, and their effect on long-term member value.
- 4.3.5 In financing AIRAH, the CEO is expected to not cause or permit any action that is likely to result in AIRAH becoming potentially insolvent or unable to meet its debts and obligations as they fall due.

The assets of AIRAH are expected to be adequately maintained and protected, and not unnecessarily placed at risk. AIRAH must be operated with a comprehensive system of internal control, and assets or funds must not be received, processed, or disbursed without controls that, as a minimum, are sufficient to meet standards acceptable to AIRAH's external auditors. One of the tools used as a framework is the Investment Policy. In managing the risks of AIRAH, the CEO is expected to not cause or permit anyone to substitute his or her own risk preferences for those of the members.

- 4.3.6 The CEO is expected to not permit employees and other parties working for AIRAH to be subjected to treatment or conditions that are unlawful, undignified, inequitable, unfair or unsafe.
- 4.3.7 The CEO is expected to not cause or permit payments to be made or rewards given unless they are in return for contributions towards the purposes of the business of AIRAH and are proportional to the extent that those contributions have furthered such purposes.

7 Board Code of Conduct

7.1 Missions and values

The Board and individual Directors have an important role in communicating the organisation's vision and upholding and modelling its values.

The mission statement is to provide leadership, promotion, representation and support to the air conditioning, refrigeration, heating and related services industry and membership.

The values of AIRAH are codified in the AIRAH Code of Ethics. These values provide the foundation for the way the organisation functions and behaves, both in its internal workings and in the way it treats and deals with others.

7.2 Code of Conduct

All Directors of the AIRAH Board are bound by the AIRAH Constitution, By-laws, Code of Ethical and Professional Conduct, all governance policies, and this Board Code of Conduct. The Code sets out key principles that govern the conduct of Board members, both individually and collectively.

In developing the Code, Directors recognise the unique nature of AIRAH, a charitable institution that embraces the disciplines and accountabilities expected of a corporate Board of Directors. The principles in the Code endeavour to address potential differences in attitudes and behaviours of Board members. The Board is ultimately accountable for the successful performance of AIRAH, and the actions of Directors should support the activities of the organisation.

7.3 Fiduciary responsibility

Each Director has the duty to ensure that the company is properly governed. To meet this obligation, Directors are expected to:

- Act in good faith
- Act with honesty and candour toward each other always
- Maintain their competence and not hold themselves out to be experts in areas outside their competence
- Treat all directors, employees, members, suppliers, and stakeholders fairly
- Exercise reasonable care, diligence, and skill at all times in carrying out their duties, and
- Lay aside all private and personal interests in their collective decision-making and always put the company's interests above their own.

7.4 Accountability

Directors are accountable to the Board for the performance of the company. The Board is accountable to members and, to a lesser degree, stakeholders. The Board holds itself accountable by holding an Annual General Meeting inviting members and explaining the board's policies, actions, and expenditures of the past year. The Board is transparent about the Conflict of Interests Register and declares any interested transactions and justifies the necessity considering their fiduciary responsibility to the company.

7.5 Commitment

In accepting their positions, Directors have made a commitment to undertake the work of the Board, and to commit the time required to acquit these responsibilities. Directors are expected to make every effort to attend scheduled meetings, but recognise that there will be occasional conflicts, which require the courtesy of advanced notice.

Directors undertake to be diligent in preparing for and attending Board meetings. They will endeavour to be as informed and as knowledgeable as possible about the responsibilities of the company, the industry environment, and the issues they are confronted with in order to arrive at the best decisions possible.

If a Board member is an apology for a meeting, they are expected to discuss any issues in the papers with the President before the meeting.

7.6 Training

Directors are required to be familiar with the obligations and duties of a company Director and are expected to avail themselves of opportunities for training and professional development. The Board will endeavour to provide Board and Director development as needed and no less than annually. As part of the Board evaluation, both the quality and quantity of Board and Director development will be assessed and disclosed to members, giving a clear indication of the level of achievement and commitment to improving governance. Directors who participate in governance training not provided by AIRAH have an obligation to assist the Board secretariat to maintain an up-to-date record of their training and development.

7.7 Collective responsibility

Directors recognise that there may at times be tension between the concepts of collective accountability of a Board and individual accountability to the members and other stakeholders. Directors agree to support and abide by the following principles:

- Directors may clearly express their individual views at Board meetings. However, they must always vote with the company's interests as their primary concern. Directors accept that once the Board has formally reached a decision, this decision becomes the policy of the Board.
- It is inappropriate for a Director to undermine a decision of the Board once made or to engage in any action or public debate, which might frustrate its implementation.
- Individual Directors will not attempt to re-litigate previous decisions at subsequent meetings of the Board unless the majority of Directors vote to reopen the debate.
- Directors' personal actions should not bring the Board into disrepute or cause a loss of confidence in the activities and decisions of the Board.

7.7 Public statements

The President should make all statements on behalf of the Board and/or relating to the Board unless it is appropriate for the CEO to do so. The CEO (or other senior staff as per documented Delegations of Authority) speaks on company policies and operational matters. On occasion, Directors may be asked their opinions and, when talking to the media, Directors should:

- Make clear the capacity in which they are speaking
- Make it clear that they are expressing their own personal views and not speaking for the Board
- Not make any promises
- Be aware of the governance role, and that management is responsible for policy implementation and operational issues, and

- Whenever possible, let the President know in advance if they are contacted by or intend to speak to the media.

7.9 Clarity about roles

The Board is responsible for the governance of the company and delegates to the CEO responsibility for implementing the decisions of the Board and the day-to-day management of the organisation. The CEO is expected to provide the Board with relevant and appropriate information and with free and frank advice to help it reach high-quality decisions on strategy, policy, and other governance matters.

Directors recognise that, for the purposes of accountability, clarity between the roles of governance and management is essential. Directors must take care to avoid becoming involved in management's activities.

Directors will not make commitments for work or expenditure by the company that have not been previously approved by the Board, nor create any obligation or liability for the company beyond authorised delegations.

7.10 Employment relationship

The board employs the CEO, who is responsible for the employment and management of all other staff in the organisation. Directors will:

- Be supportive of employees of the company and will not criticise employees or the products/services provided by the company in public. Any concerns relating to staff will be raised with the President and/or CEO, as appropriate.
- Exercise judgment and courtesy in respecting the protocol of communicating through the President and/or CEO (as appropriate) in raising matters with the CEO and/or senior staff.
- Not attempt to unduly influence any employee of the company to present material in a particular way that might affect the outcome of a decision to be made by the Board.
- Exercise care in communicating privately with employees of the company and refer any staff with complaints or concerns back to the CEO or to the Protected Disclosures Policy.

7.11 Contact with individual staff in role as a Director

In some circumstances it will be appropriate for Directors to communicate directly with individual staff to further their knowledge/understanding of organisational issues relevant to their governance role. Such communication needs to be carried out in an open and considerate manner. As a rule, requests to individual staff should be governed by the following protocols:

- In the first instance, such approaches should be made "through the management line", either via or with the knowledge of the CEO (and President) and subsequently through the appropriate management levels (i.e., top down).
- Emails (or other written requests) and subsequent communication should be copied to the CEO and President.
- Consideration should be given to staff pressures and workloads, and requests should not impose unreasonable burdens on staff.

- Any concerns about responsiveness to Director requests should be taken up directly with the President and/or CEO.

Nothing in this is meant to restrict normal member-to-member or member-to-staff communication in which the Director makes it clear that he/she is representing his/her personal opinions as a member and not those of the Board or in their role as a Director.

7.12 Complaints' procedures and representations

Board members have an important role in providing a public relations voice to the activities of the company. However, Directors recognise that the organisation, through the mandate of the Board, has processes in place to respond to both member and consumer complaints and other concerns.

Directors will advise members, consumers, employees, and suppliers who desire personal matters to be brought to the attention of the Board to follow the proper procedures for raising issues and registering complaints.

Directors will not advocate on behalf of an individual beyond advising them of the complaints procedures and checking that the matter has been addressed satisfactorily by the organisation (note that "satisfactorily" refers to the procedures followed by the organisation in addressing the matter and does not necessarily mean that the matter must be resolved as the individual would wish).

However, these procedures for raising issues and registering complaints do not preclude Directors from pursuing, in a general way, issues relating to policy or systemic failure that may have been indicated by or arise from an individual situation or complaint.

7.13 Confidentiality and discretion

Directors receive information that is both public and private and must recognise that the release of information, and access to and handling of personal information about any individual, is governed by the Privacy Act 1998. In order to protect the organisation from inappropriate use of information:

- Directors are expected to be familiar with this legislation and to refer any requests for "personal information" to the CEO.
- Directors accept that they may acquire information of a confidential nature (e.g., about the company, its suppliers, employees, competitors, and other parties) and agree not to use any such information for personal advantage, nor to disclose it to any other person unless first authorised by the board.

7.14 Conflict of interest

A Board member who is "interested in a transaction" of the company must, as soon as practicable, disclose the nature of the interest to the Board. The Director must not take part in any deliberation or decision of the Board relating to the transaction. The disclosure must be recorded in the Minutes and entered in a separate Interests Register.

A director is "interested in a transaction" if he or she:

- a) Is a party to, or will or may derive a material financial benefit from, the transaction; or
- b) Has a material financial interest in another party to the transaction; or

- c) Is a Director, officer, or trustee of another party to, or person who will or may derive a material financial benefit from, the transaction; or
- d) Is the parent, child, spouse, civil union partner, or de facto partner of another party to, or person who will or may derive a material financial benefit from, the transaction; or
- e) Is otherwise directly or indirectly materially interested in the transaction.

Directors must:

- Recognise that, at times, there may arise a “perception of interest”, which is a wider interpretation than that defined above. A “perception of interest” exists where any Director is “perceived to have an interest greater than the general public”. The best course, when there is any doubt, is to raise such matters of interest in the first instance with the President, who will determine an appropriate course of action.
- Recognise that, where an interest is declared (or where it is considered that there is a clear “perception of interest”), the normal practice is for the Director concerned to leave the room. The Board can, however, exercise its discretion in allowing the Director to remain. In such circumstances the Director would not participate in any decision.
- Not use their official positions for personal gain, or solicit or accept gifts, rewards or benefits which might be perceived as inducements and which could compromise the Board's integrity.
- Exercise care and judgment in accepting any gifts, meals, entertainment, or other personal gifts and advise the President and/or Board of any offer received.

7.15 Directors undertaking work for the company

Note: In many countries and organisations with robust governance and ethical standards, non-executive Directors are forbidden from contracting work for the organisation because of conflicts of interest. This practice is allowed under Australian laws but higher standards than the law may be adopted.

Directors should be aware that undertaking paid work for the company other than in the Director's role needs to be handled very carefully and with complete transparency. Such situations should be guided by the following principles/processes:

- The President should be given early notification of any situations where a Director might engage in work for the company.
- Directors should not receive remuneration for undertaking work which is considered part of their role/duties and responsibilities as Directors.
- Directors should only be engaged to undertake other work or assignments for the company based on their qualifications, skills and suitability for the work, and any such engagement should follow the normal employment/contracting processes for such work within the company.
- Directors should not in any way use their position as Board members to influence their selection/engagement for work with the company

- Any such engagements should be declared to the Board and recorded in the Interests Register.

7.16 Requests for items to be placed on Board or committee agendas

Requests by Directors for items to be placed on Board meeting agendas should be made to the Board President or the President of the appropriate committee. The Board President or committee President will make a decision following discussion with the CEO or other relevant senior manager and will arrange for an accompanying paper providing management comments/recommendations as appropriate. The decision will be confirmed by email to all Board members – with reasons if declined and suggesting a different way of progressing the matter.

7.17 Behaviour at Board and committee meetings

Board members agree to abide by the meeting rules and protocols documented in other governance policies.

8 AIRAH Directors' duties

8.1 Key responsibilities of Company Directors

- As a Director, you are responsible for oversight of the affairs of the Institute. You must comply with your legal obligations as a director under the Corporations Act 2001.
- As a Director, you must be fully up-to-date on what the Institute is doing, including its financial position, question managers and staff about how the business is going and take an active part in Directors' meetings.
- You must not use your position as a Director of a company – or information obtained because you are or have been a Director, officer, or employee of a company – to cause detriment to the company or to gain an advantage for yourself or someone else.
- When you make a business decision as a company Director, you must, amongst other things, ensure that you:
 - Make the decision in good faith and for a proper purpose
 - Do not have a material personal interest in the decision and make it in the best interests of the company
 - Find out and assess how any decision will affect your company's business performance, especially if it involves a lot of the company's money or could have a material impact on the company's reputation
 - Keep informed about your company's financial position and performance, ensuring your company can pay its debts on time
 - Get trusted professional advice when you need assistance to make an informed decision
 - Make full and frank disclosure about any material personal interests you do have.
- There are penalties and consequences – including civil penalties, compensation proceedings and criminal charges – for Directors who fail to comply with their obligations under Australian law.
- All the duties and responsibilities listed are the minimum obligations for Directors. More information may be found in the Australian Institute of Company Directors' Not for Profit Governance Principles.

8.2 Annual face-to-face meeting

Four one-day meetings	Convention	AIRAH Awards gala dinner	One planning session with senior staff
Governance training commitment outside of Board meetings to fill gaps in knowledge	AGM	Four x one-hour meetings and annual meeting with auditor	Although not mandatory, Directors are encouraged to attend the various committee meetings, events, and conferences that AIRAH provides throughout the year.
		AFPRC committee members (three Board members)	

8.2 Fiduciary duties

In addition to those duties for Directors stated in the Board Charter, Code of Conduct, and other board/governance policies of this company, for which every Director shall be held accountable, under common law, duties of directors also require them to:

- Act honestly
- Exercise reasonable care and skill
- Act diligently (accurate and timely performance of duties), and
- Be aware of and understand their fiduciary duties which are to:
 - Act in good faith and in the interests of AIRAH as a whole
 - Exercise the powers for the purposes for which they were conferred
 - Not fetter the future exercise of directors' powers, and
 - Avoid any conflict of interest.

8.3 Liability

The courts recognise that running a business enterprise inevitably involves an element of risk-taking. A Director will be liable when he or she:

- Remains passive
- Fails to monitor the business and management of AIRAH, or
- Acts recklessly and not in the best interests of the AIRAH (e.g., By incurring a liability when the Director knows the AIRAH will not subsequently be able to repay its debts as they fall due, or uses company information for self-interest).

8.4 Access to information

There is no part of the AIRAH's affairs that a Director should not be entitled to know about. Every Director has the right to ask that any item relevant to the AIRAH be included in the agenda and be aired among members of the Board unless it breaches the Privacy Act 1998 or other legislation. Whenever possible, sufficient notice of the items should be given to the President in advance to enable normal preparatory work to be undertaken.

8.5 Director commitment

Board members who fail to regularly attend meetings, provide reports or assignments on time, fail to hold agreed committee or other meetings to progress tasks and other acts of non-performance, may have their appointment terminated.

A Board member is expected to attend all scheduled Board meetings and, when a committee member, he or she should attend scheduled committee meetings. Other work commitments and social commitments are not acceptable excuses for missing Board or committee meetings that are scheduled a year in advance. Scheduled committee meetings will also be reflected on the chart.

Board member assignments and actions shall be recorded with assigned date, due date and actual completion date in the Minutes.

Committees will provide Minutes of their meetings to the secretary for attachment to the Board papers (Agenda and Minutes). These are to be provided prior to the Board meeting but following the committee meeting.

Absence from more than two (2) meetings within 12 months is unacceptable.

Partial attendance is also unacceptable.

All cell phones must be turned *off* or to *silent* during meetings and calls should not be taken except for family emergencies.

Board members are expected to have thoroughly read all Board papers in advance of meetings and to have completed all assigned tasks on time and in full.

8.6 Director and Board evaluation and governance development

All directors will participate in the annual Board and Director evaluation in order to improve their performance and that of the Board.

Governance development of the Board is important. Board meetings should have a regular agenda item "Governance" which is time spent reviewing and discussing AIRAH governance policies, updates to company legislation and other Director-relevant aspects of both compliance and performance of the Board/organisation. By learning together, the Board spends time building a mutual understanding of governance and ways of working better together as a group.

8.7 Conflicts and the Interests Register

A conflict of interest exists when the interests or activities of a Director (or a person or entity with whom the Director is associated) are contrary to or compete with the interests of the Institute. A general way of assessing if there may be a conflict of interest would be to ask whether a reasonable person, given the circumstances, would think a Director's capacity to make a judgement on a particular matter would or could be compromised by their contrary or competing interests.

To give a general example: There is likely to be a conflict in a Director being asked to determine whether the Institute should provide funding or support to an organisation of which they are a Director or an employee, or where they would benefit financially from that funding or support being provided.

Directors fail in their obligation to the Institute if they put another interest ahead of or even equal to the interests of the Institute if this would provide an advantage to that Director beyond the interests of other Institute members.

Conflicts of interest can occur when a Director has formal or informal relationships with:

- Other individuals;
- Other companies; or
- Other institutes or organisations.

Given that Directors of AIRAH are HVAC&R professionals and are generally working within different parts of the HVAC&R sector, we recognise that Directors can have conflicts of interest. These conflicts can, in most cases, be effectively managed so that the interests of the Institute are not compromised.

As part of the process of managing conflicts of interest, we ask all Directors to:

- 1) Observe some general principles to mitigate any risk to the Institute from conflicts of interest; and
- 2) Make an annual declaration of potential conflicts of interest, so that this information is documented and available to all Directors.

8.8 General measures for mitigating the risk from conflicts of interest

8.8.1 All Board information to be considered confidential

- Directors recognise that they regularly receive information (Board papers/emails) in their capacity as directors. This information, where it is not publicly available, should be considered confidential. Please consult the President or CEO if you are unsure about the confidential status of any information received. Information (other than public information), gained by a Director through their Director role, should not be used by the Director for their own benefit in dealing with other organisations or individuals.

4.1.2 Noting conflicts of interest as they arise at Board meetings

- All Directors are reminded that, in addition to the declaration of interests they are required to note their interest at the commencement of any Board item. This will be noted and added to the Interests Register.

8.9 Understanding conflicts of interest

Conflict of interest may range from relatively insignificant to substantive. Declaring the interest allows other Directors to understand the conflict of interest, and decide for themselves how significant the conflict might be, and whether the person with the conflict is likely to be able to continue to contribute to the discussion and any decision in the best interests of AIRAH and their obligations as a Director.

If you declare an interest, options might include:

- Declaring the interest for noting in the minutes;
- Limiting your contribution to a particular discussion;
- Not voting on a particular motion, recommendation, or proposal; or
- Leaving the meeting during the discussion of that item or point.

Any Director with a conflict may make their own judgement as to which of these options are appropriate. However, the Board may also together decide to request any of the above options be exercised, depending on the nature and extent of the conflict. In doing so, the Board should agree that an interest and potential conflict exists, and consider whether, given the nature of the conflict, it would be likely to affect the Director's ability to carry out their responsibilities impartially.

8.10 Responsibility for declaration of conflict of interest

The primary responsibility for managing and declaring any conflict of interest rests with individual Directors. While the primary responsibility for managing a conflict of interest rests with each individual, other Directors may also raise any perceived undeclared conflict of interest in relation to other Board members.

All Board members can:

- Review the annual statements and declarations of conflict of interest for all Directors;
- Speak directly to other Directors if they have further questions or concerns about any conflict; and
- Discuss or raise any further concerns about your own conflicts of interest, or those of other Directors, with the President.

8.11 Standing disclosure

Every year, Directors must make a formal disclosure of their interests on the Disclosure Form for inclusion in the Interest Register. This serves as "standing disclosure".

Should any new interests arise since signing the annual formal disclosure, Directors must declare these additional interests at a Board meeting to be noted and added to the formal Interests Register.

9 AIRAH President's duties

9.1 Introduction

For the President of AIRAH, there are several core functions to be performed which carry a higher degree of authority and responsibility than those of other members of the Board.

9.2 Procedure

9.1.1.1 Responsibility for the working of the Board

This is the President's principal role and includes the tasks outlined below.

Providing facilitative leadership	Providing facilitative leadership to the Board, without limiting the principle of collective responsibility for Board decisions.
Board succession plan	The President should also ensure that a formal succession plan for the board is in place.
Setting agendas	Setting the agenda for Board meetings, usually in conjunction with the CEO and the company secretary. This includes seeing that all relevant items are listed to be dealt with in the most effective order. The President should ensure that the agenda and all necessary background papers are available to Board members, and that any desirable investigations and preliminary discussions are circulated in sufficient time to enable the papers to be adequately considered before the meeting. The President may delegate these tasks to the secretary but retains responsibility for the performance.
Chairing meetings	Chairing meetings of the Board in such a manner that will stimulate debate on the issues before the Board and encourage the most effective contribution from each member. The President should remember the following points: • Some members may insist on having their own way irrespective of the merits of their views and some can by habit be unnecessarily verbose on almost every subject while others, reticent by nature but having valuable views, may need to be drawn out. • The challenge for the President is to facilitate discussions so that they are courteous and harmonious but always pertinent while at the same time seeing that genuine disagreements are aired and resolved. • The chair should not dominate discussions but should maintain good control of proceedings. He or she should see that decisions are reached and that they are properly understood and recorded. • The President needs to be fair but firm, and the interests of AIRAH must predominate.

Conflicts of interest	The President should always be mindful of the potential for conflicts of interest and be familiar with the procedures to be followed as required by legislation, the Code of Conduct and AIRAH governance policies.
Reviewing Minutes of meetings	Reviewing the Minutes of meetings of the Board, within seven (7) days of the meeting to ensure that: • They accurately reflect the board's deliberations, and • Matters arising (action items) from the minutes on which further action is required have been accurately recorded.
Board evaluations	Monitoring and evaluating the individual performance of Board members as per the Board Evaluation Policy and taking the initiative in instigating annual evaluations of the Board as a whole.
Director induction	Arranging for new Board members to be properly inducted.
Board annual workplan	Initiating, normally in conjunction with the CEO and secretary, the formulation of a work plan to ensure that the Board establishes at the beginning of each year, the goals it wishes to achieve and how this will be carried out.
Committees	Initiating the establishment of Board or other committees and monitoring them to ensure that they achieve their objectives.
Audits	The President shall not be part of the AFPRC.

9.3 Relationships with Board members and company secretary

The President should act as the main informal link between Board members and particularly between the Board and secretary. The company will run more effectively and efficiently with a good working relationship between the President and the company secretary, and each will in good faith respect the other's abilities and personal qualities.

9.4 Relationships with the CEO

The President should recognise that the CEO is the leader of the company in all matters of management and should not expect, as of right, to become involved in the company's day-to-day operations. It is the CEO's responsibility to report to the Board, not just to the President.

Because of their relationship, the President should nevertheless:

Expect to be kept informed by the CEO of all such important matters as emerging problems, risks, potentially good or bad publicity, investment and divestment proposals, funding issues and current performance;

Always make him or herself available to the CEO to act as a sounding board and be part of the control mechanism in ensuring that the CEO's decisions are properly considered and

soundly based, and give assistance and advice when needed especially on sensitive matters; and

Ensure that the CEO understands and properly performs his or her functions impartially and in good faith.

Compliance	Because of the relationship, the President should be in a good position to lead the Board in seeing that there are adequate control mechanisms to cover compliance responsibilities and risk management generally.
Relationships with other managers	In addition to an effective working relationship with the CEO, the President is free to discuss financial, funding and performance issues with the finance manager and other managers directly.
Operations	Numerous routine matters, such as reviewing Minutes of meetings, formalising documents arising from Board resolutions, answering correspondence, and deciding on agenda items will require the President's regular attention and help ensuring that he or she keeps in touch with operational matters between Board meetings.
Independence	The President should ensure that he or she is sufficiently familiar with the company's activities to be able to provide the board with independent comment on the CEO's and other senior managers' reports.
Public response	Critical events possibly requiring urgent action (e.g., unintended consequences, the death or departure of a Board member, media interest, physical catastrophes and unforeseen financial or other problems), although normally infrequent, can make extensive demands on the time of all Board members but particularly on that of the President. As principal representative of the Board, the President should lead the way in ensuring that such an event is managed in the best possible interests of the company and, because of his or her position, should be prepared to lead necessary public responses, particularly on matters that are not strictly operational, in the event that the CEO is unavailable as the spokesperson for AIRAH.

9.5 Relationships with Board members

The President is expected to moderate meetings of the Board. This role calls for special skills and personal qualities that allow and encourage members to have their say while remaining relevant to the matter at issue, and the President must also have the capability to summarise and unify thoughts and ideas. He or she needs to be patient and understanding while at the same time assertively facilitating the meeting process.

9.6 Administrative duties

The President should also have a sound knowledge of meeting procedures and be able, when required, to deal with the technical aspects of resolutions, meeting procedures, etc., and be sufficiently familiar with corporate law, AIRAH's Constitution, the Code of Conduct,

meeting rules and all governance policies to enable the handling (with assistance from the secretary and legal advisers if necessary) of such matters as voting and the matters that may be properly discussed at the meeting.

During the year, several reports and other documents may be sent to members and/or stakeholders over the President's signature. He or she should ensure that they are always well prepared, as, irrespective of contributions towards them from others, the President must, in the end, accept responsibility for them.

9.7 Other relationships

The President can expect to be called upon to represent AIRAH at service organisations (e.g., rotary, industry associations) and government agencies; meet major clients, suppliers, and members of the community; attend AIRAH and stakeholder functions; and make speeches.

Media and public relations	As the President is elected on bi-annual basis, it is desirable for AIRAH that the CEO serve as the primary spokesperson for the organisation. Interviews with the media can be critical to AIRAH's public image and demand a sound knowledge of the company's financial position and other aspects of the company's affairs. Where possible, the President shall refer all media enquiries to the CEO who is better able to present a position that is consistent and fully informed. The President shall offer full support to the CEO who leads the presentation of the company's cause, whether formally or informally, with politicians and others having influence on the environment in which the company operates.
Compliance	While performing the functions set out above, the President should also be expected to play a leading role in: • The process of reviewing the company's visions and goals • The company's strategic direction and planning process • Fostering high ethical standards and positive relationships with the company's stakeholders, and • Ensuring adherence by the company to both the letter and the spirit of the law.
Purpose	As leader of the Board, the President is in a unique position to set the culture of the company and to model the values by which it operates. He or she should use every endeavour to ensure that this responsibility is discharged in the best interests of the company, with a view to adding value to AIRAH, and always working within its stated objects (purposes) and other key business drivers.

10 AIRAH company secretary position description

10.1 Position description

Reports to: AIRAH President and Board

10.2 Purpose of company secretary

Support the Board and senior management on matters of corporate governance, Board operation, organisational decision-making, and member/Board relations. The overall management of the company secretariat; risk and compliance; and oversight of internal audit and insurance functions.

10.3 Relationships

Reports operationally to the CEO.

Reports to the Board and chairman on matters pertaining to the company secretary's functions where it pertains to support and governance.

Maintains sound working relationships with:

- All Directors, but principally the President
- Senior management team
- Senior staff within required regulatory or regulatory support bodies.

10.4 Principal accountabilities

10.4.1 Supporting the Board and governance:

- Support the President and the Directors as required to achieve effective monitoring of activities and decision-making
- Provide advice to the Directors on the discharge of their duties under the Corporations Act 2001
- Ensure timely reporting to members through statutory reporting mechanisms
- Provide proactive advice to, and for, the President and the Board on conflicts of interest (or potential conflicts of interest).

10.4.2 Secretariat duties:

- Ensure the duties of the company secretary are discharged in accordance with the Corporations Act 2001
- Ensure the timely lodgement of returns required under legislation.

10.4.3 Risk and compliance:

- Ensure appropriate and effective risk management and compliance systems are implemented and maintained in accordance with board policies.

10.4.4 Quality assurance:

- Ensure an effective and appropriate quality assurance system is in place and maintained.

10.4.5 Legal:

- Overview the appointment and effective management of external legal advice as necessary.

10.4.6 Insurance:

- Ensure the maintenance of appropriate and adequate insurance cover for the organisation, its officers, and its directors.

10.4.7 Internal audit:

- Ensure the internal audit function provides an efficient and valuable service.

10.4.8 Records management:

- Ensure an appropriate and effective records management system is maintained in accordance with regulatory requirements.

11 AIRAH Chief Executive Officer (CEO) position description

11.1 Purpose of CEO

The CEO of AIRAH is responsible and accountable for leading, managing and developing the AIRAH organisation, facilitating the Board's strategic plans, and effectively implementing them, to achieve AIRAH's goals, strategic aims, and financial plans.

11.2 Strategic direction

- Ensure AIRAH advances in the strategic direction set by the Board by overseeing the management of the organisation and the prudent application of Institute resources.
- Work collaboratively with the Board to develop an agreed strategic plan focusing on short-, medium- and long-term priorities for the organisation that are informed by relevant industry issues, members' views and interests, and the overall objects of AIRAH.
- Develop and implement, in conjunction with senior managers, a 12-month operational plan that delivers the strategic goals of the organisation.
- Provide input and advice, based on feedback and market intelligence, to the Board regarding industry issues that impact on the strategic intent of the organisation.
- Oversee and advance the AIRAH CEO position description.
- Communicate the Board's strategic intent and vision for the Institute to members, staff, and key stakeholders.

11.3 Membership

- Ensure AIRAH continues to be the leading HVAC&R representative body by engaging with organisations and individuals in the industry, growing membership and representing their interests.
- Ensure that the Institute maintains a compelling and engaging value proposition for members.
- Develop and implement member engagement activities that engage, recruit, and retain members in the Institute.
- Ensure that the activities and outputs of the Institute are relevant to members, the industry, and promote the overall objectives of the Institute.

11.4 Relationship with external stakeholders including industry and governments

- Ensure AIRAH advances the Institute's aims and objects by building long-term relationships with industry stakeholders and government at all levels.
- Ensure AIRAH presents a coherent, clear, and meaningful message to industry and government that is aligned with the objects of the Institute and the needs of members.
- Ensure the Institute remains impartial and a voice for our members in the HVAC&R industry.
- Engage with stakeholders to understand issues that impact members and determine a position for AIRAH to take in representing members regarding those issues.
- Act as an advocate for members and the industry with government and other industry bodies.
- Represent AIRAH in industry and government forums, committees, and groups as required.

11.5 Leadership, management, and development of the AIRAH organisation

- Ensure AIRAH performs to the expectations of the Board and its members by leading the people and other resources to achieve a highly cohesive team that demonstrates the desired values and culture.
- Set, monitor, and review senior manager roles and responsibilities in conjunction with the Board and as delegated.
- Ensure managers are setting, monitoring, and reviewing roles and responsibilities of staff.
- Ensure staff have access to structured professional development, training, performance reviews, and employee assistance as required.
- Develop and maintain an organisational structure that meets the changing needs of the organisation.

11.6 Industry development

- Ensure AIRAH sets the pace for industry development by undertaking research, analysing trends, and providing training and education.
- Ensure AIRAH remains abreast of current industry issues and develops policy positions that lead industry development.
- Undertake research on specific industry topics as directed by the Board or by members and/or stakeholders.
- Ensure AIRAH develops and maintains an industry-relevant training and education programme.

11.7 Specific initiatives

- Engage with the AIRAH Board to identify specific initiatives, contracts, conferences, and projects that will advance the organisation.

12 Audit, Finance, Policy and Risk Committee (AFPRC)

12.1 Objectives

The function of this AIRAH committee is to assist the Board in fulfilling its corporate governance responsibilities regarding:

- a) Business risk management (other than the operational risk management issues delegated to the CEO)
- b) Compliance with legal and regulatory obligations (other than the operational compliance obligations monitored by the CEO)
- c) The establishment and maintenance of the internal control framework
- d) The reliability and integrity of financial information for inclusion in the AIRAH financial statements
- e) Safeguarding the independence of the external auditor; and
- f) Audit, accounting, and financial reporting obligations.

It is the responsibility of the AFPRC to maintain free and open communication between the committee, external auditor, CEO, and key members of staff.

12.2 Membership

The committee is to consist of:

- a) At least three (3) Board members, the CEO, and finance manager
- b) Members who are all financially literate (i.e., are able to read and understand financial statements); and

- c) At least one (1) of the committee members is to hold the office of company secretary
- d) At least one member who is not on the Board and who has financial expertise (i.e., is a qualified accountant or other financial professional with experience of financial and accounting matters)
- e) The chairman of the committee is to be appointed by the Board (but is not to be the chairman of the Board or the CEO)
- f) The external auditor may attend committee meetings if invited.

For more information on the AFPRC responsibilities, compliance and reporting activities please see the Board portal for the Audit, Finance, Policy and Risk Committee (AFPRC) Guide for AIRAH's compliance framework and the groups' charter.

13 Delegations of Authority

The delegations of authority matrix outlines the levels of authority for the President, Board, CEO, finance manager, and other staff.

A detailed matrix can be found in the Board portal that identifies the key areas of responsibility using the A.R.C.I. format.

13.1 A.R.C.I.

A	R	C	I
ACCOUNTABLE	RESPONSIBLE	CONSULTED	INFORMED
Authority to say "Yes or No"	The "Doer"	Keep in the loop / Seek input	Need to be told outcome

The general areas that Board members are responsible for include, but are not limited to:

- Approval for expenditures over \$10,000
- Approving and signing legally binding contracts (including MOUs) and requiring two (2) authorised signatories
- Approving senior appointment and contracts
- Management of trust funds and accounts.

14 Board travel and expense policy

14.1 Purpose

AIRAH is governed by a volunteer Board constituted from its members. In fulfilling their role on the Board, Directors are required to give up considerable time and effort to participate fully in the activities of the Institute.

Recognising that directors do not receive a stipend, honorarium, dividend, or other financial benefit, this policy is developed with the following key guiding principles in mind:

- Directors should not be financially disadvantaged by participating in Board activities
- Directors generally give up personal time for travel, meetings, and promoting the Institute and as such should be supported in their activities
- Directors are entitled to a standard of travel, accommodation, and entertainment commensurate with the business practices of our member's organisations
- To provide clarity around these guiding principles, the following policy should be adhered to.

14.2 Per diem

Directors are entitled to a per diem for attending Board meetings or other official activities as a Board member when the engagement exceeds four (4) hours. The per diem is calculated per twenty-four (24) hour period, or part thereof, where that part exceeds four (4) hours.

Example: A Director attending a two-day Board meeting with overnight accommodation would be entitled to the per diem for the first 24-hour period, plus the per diem for the subsequent 24-hour period.

The current per diem rate is:

	Interstate or intercity travel (greater than 100km)	Local travel (less than 100km)
First 4–24 hours	\$835	\$370
Additional 24-hour period	\$300	

The per diem includes all ground transportation, meals, and incidental personal expenses.

Where a Director is likely to incur costs greater than the allowable per diem, then they may submit a claim for direct reimbursement of all expenses and not claim the per diem.

14.3 Accommodation

Directors are entitled to accommodation of a good “business” standard in a safe location, reasonably close to the destination, preferably within walking distance of the meeting or event.

Accommodation, wherever possible, should be booked via the AIRAH office and room charges charged to the company account. Where this cannot be achieved, the Director shall cover the cost of the accommodation and claim it back directly from AIRAH via an expense claim.

All other accommodation expenses such as Wi-Fi, mini-bar, phone calls and meals shall be at the Director’s expense, and covered by the per diem.

In order to make maximum and efficient use of Director’s time at meetings, and recognising the need for some Directors to travel interstate for any meeting, Directors (including local Directors) shall be entitled to at least one night’s accommodation either the night prior or the night following the meeting or event, to enable travel to occur at reasonable times of the day. Where travel times would require the Director to have to leave meetings early or arrive late, an additional night’s accommodation may be provided.

14.4 Travel

All ground transportation expenses shall be covered by the per diem.

All air travel shall be booked and paid for by AIRAH head office and charged back to the company account.

Directors are entitled to choose the airline of their choice, provided it enables efficient travel and does not incur unreasonable cost on the Institute.

Cheapest available fare should be booked wherever possible for flights. For departing flights, change fees will be able to be claimed to allow for flexible return travel arrangements. Directors are entitled to the benefit of any frequent flyer program entitlements from eligible flights. Points from associated business reward programs (i.e., associated with an ABN) will be collected for AIRAH and will be used for AIRAH business travel (Directors or staff travel).

Economy class travel shall be booked for all flights. All international travel must be approved by the President and CEO (or, where necessary, the AFPRC). The total cost of international flights is capped at AUD \$5,000 per trip unless the AFPRC approves a higher amount.

Premium economy flights may be booked for international flights of four (4) hours or more.

Business class flights may be booked for international travel where the Director must attend to business within four (4) hours of arrival subject to President and CEO approval. Where the CEO and President are both travelling, approval shall be obtained from the AFPRC.

14.5 Entertainment

It is recognised that from time to time, Directors may be required to cover the reasonable cost of business entertainment, such as business lunches, meetings, dinners, or social activities. Where possible these should be approved by the President in advance and demonstrate clear benefit to AIRAH.

Directors may use their discretion and allow for such expenses up to \$100 per attendee for meals, or \$50 per attendee for informal entertainment. Claims for expenses above this amount may be rejected. A tax invoice should be provided along with the name and organisation of all attendees for taxation purposes.

Where an AIRAH staff member, who has an AIRAH company credit card, is present, the staff member should cover the expenses with the company credit card. Where these costs are covered by a Director, they shall be claimed and reimbursed at cost.

Tipping should generally be avoided except where it is culturally or socially appropriate to pay gratuities. These may be reimbursed as an expense, provided that the tip or gratuity is written on the tax invoice or otherwise documented and is no more than 10 per cent in Australia or in line with local expectations in foreign countries.

Directors are not entitled to a company credit card

14.6 Other expenses

Directors have a fiduciary duty and as such must keep themselves fully informed. Directors may incur reasonable expenses to obtain information, advice, or counsel and AIRAH shall cover the cost of these expenses. Such expenses should generally not be incurred without prior approval of the President or where there is a conflict of interest, then the approval of the CEO should be obtained.

Directors are entitled to claim the cost of meetings between Directors to facilitate Board discussion and activities. Expenses should be submitted with a tax invoice. Training expenses, such as for governance training will be covered externally to these expenses.

One director (preferably the President) is entitled to have their membership of the Australian Institute of Company directors (AICD) paid for by the Institute.

The President is entitled to reimbursement for one industry-relevant membership directly supporting AIRAH's strategic objectives (e.g., ASHRAE membership).

All expense claims must be received by the AIRAH financial controller with four (4) weeks of them being incurred. Expenses claimed after the end of the AIRAH financial year (December 31) may only be approved in special circumstances by the President.

Sustainability Considerations

In line with AIRAH's commitment to Environmental, Social, and Governance (ESG) principles, Directors are encouraged to consider sustainable travel options where feasible, such as using public transport or carpooling when practical.

15 Board annual workplan and governance calendar

15.1 Summary of Board Activities (Annual Cycle)

The Board will undertake a comprehensive program of governance, compliance, strategic planning, and operational oversight throughout the year, aligned with the organisation's strategic and regulatory obligations. The schedule remains adaptable to address emerging priorities or required adjustments.

15.2 Governance and Compliance Oversight

- **AFPRC Meeting & Board Meetings:** Regularly scheduled meetings will ensure the Board maintains oversight of governance, compliance, and operational matters, including specific AFPRC (Audit, Finance, Policy & Risk Committee) activities.
- **Operational Policies Review:** As part of the AFPRC mandate, the Board will confirm the regular review of operational policies to ensure continued relevance and compliance.
- **Financial Audit:** The Board will oversee the commencement and completion of the annual financial audit, reviewing and accepting the final report to ensure financial integrity.
- **Conflict Declarations:** Directors will regularly declare any potential conflicts of interest and confirm their status as a fit and proper person, supporting transparency and good governance.
- **Legal Compliance Review:** The Board will review legal and compliance matters, including governance audits, WH&S audits, and other regulatory checks, ensuring all statutory obligations are met.

15.3 Board Composition and Succession

- **Appointment of New Board Members:** The Board will assess and appoint new Directors as needed to maintain a balanced and skilled governance team.
- **Induction of New Directors:** Following appointments, new Board members will undergo induction as outlined in the Board Handbook.
- **President/Chair Election:** When required, the Board will elect a new President/Chair in accordance with governance procedures.
- **AFPRC Chair Appointment:** The Board will appoint the Chair of the AFPRC, when due, to maintain leadership continuity.
- **Board and Committee Performance Review:** The Board will evaluate its own performance and that of its committees, conducting skill assessments and succession planning to maintain strong governance standards.
- **Promote Opportunities:** Throughout the year, the Board will actively promote opportunities for members to engage through committee and Associate Director roles, supporting leadership development and diversity of thought.

15.3 Strategic and Operational Planning

- Board/Management Strategy Planning Day: The Board and management team will participate in a dedicated strategy planning day to set or refine strategic direction.
- Risk Matrix Review: The Board will review the organisational risk matrix to ensure key risks are identified, assessed, and mitigated effectively.
- Business Plan and Work Plan Review: Strategic and annual business plans will be reviewed to ensure alignment with the organisation's objectives. The Board will develop and approve an annual work plan and governance calendar for the forthcoming year.

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16 AIRAH Board induction checklist

16.1 Introduction

- The intention of this induction checklist is to ensure that new Directors become familiar with all the key operations and functions of the organisation. The AIRAH Board Handbook describes each procedure on the checklist in further detail, so please refer to this document for additional information. Ideally all items in the checklist are to be completed within two (2) months of a new Board member commencing their term. Any queries should be addressed to the President.

16.2 Initial contact

RESPONSIBILITY – PRESIDENT

Description	Provided
Contact new Director and provide letter of welcome	
Role description	
Code of conduct	

16.3 Induction manual

RESPONSIBILITY – PRESIDENT with CEO

Description	Provided
Current Board member profiles	
Constitution and strategic plan	
By-laws	
Current year-to-date budget	
Relevant sponsorship and funding agreements	
Two most recent annual reports	
Organisational chart	
Contact information for Board members and senior staff	
Meeting schedule and event calendar	
Board charter	

16.4 Introductions

RESPONSIBILITY – PRESIDENT

Description	Provided
Introduce new Director to the Board, CEO, and company secretary	
Nominate a mentor	
Arrange tour with CEO and senior staff	

16.5 Inclusion

RESPONSIBILITY – ALL DIRECTORS

Description	Provided
Encourage the Board to welcome the new Director	

16.6 Roles and responsibilities

RESPONSIBILITY – ASSIGNED MENTOR

Description	Provided
Roles, responsibilities, and expectations of the Board	
Decision-making process	
Outline Board performance and evaluation process	
Questions	

16.7 Briefing

RESPONSIBILITY – COMPANY SECRETARY

Description	Provided
Recent minutes	
Overview of current risk and issues	

16.8 Tour**RESPONSIBILITY – CEO**

Description	Provided
Conduct tour of Institute's offices and facilities	
Introductions to staff members	
Policies and procedures	
Year-to-date organisational progress, budget, and risk/issues	

16.9 Feedback**RESPONSIBILITY – NEW DIRECTOR**

Description	Provided
Provide feedback to the President on the induction process	