

## **DIVISION COUNCIL CHARTER**

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*(Approved by the Board on 2 August 2017)*

### **1. INTRODUCTION**

The purpose of this charter is to document the composition, role, responsibility and other procedures for Division Councils of the Australian Institute of Company Directors (**AICD**) and the relationship between the Division Councils, the Board and management. This Charter supplements the Constitution and By-Laws, which prevail in that order to the extent of any inconsistency.

### **2. COMPOSITION**

A Division Council (**Council**) consists of at least five and not more than ten members (**Councillors**), with up to five Councillors elected by the members of the Division, and up to five Councillors determined by the Council and subject to any transitional provisions applicable to the number of elected and appointed Councillors as set out in the By-Laws.

Each Council elects a President who serves for a period of up to three years at the discretion of the Council. If the President is unavailable or otherwise unable to perform the functions of President for any period, the relevant Council shall appoint another Councillor to perform the President's functions as required for such period.

By-Law 3.8.2 sets out the rules for determining which Councillors must retire each year. By-Law 3.8.1 provides that a minimum of one third of elected and casual Councillors must retire each year. If By-Law 3.8.2 determines more than one third then all such Councillors must still retire. By-Law 3.8.2 explains which retiring Councillors are eligible to stand for re-election.

A Councillor is not eligible to serve as a Councillor for an individual term of more than three years. A Councillor may not serve more than three terms without a resolution of the Board approving any additional term.

Councils may appoint sub-committees and other committees for particular purposes from time to time, and approve appropriate charters or terms of reference for each sub-committee or committee. The sub-committee or other committee serves at the discretion of the relevant Council which appointed it.

Each Council will agree with the Board its nominee for appointment to the Board in accordance with the Constitution.

### **3. ROLE**

The role of Councils is defined in Article 9.3 of the Constitution. To give effect to that role, the objectives of Councils are:

- (a) To provide advice to the Board and Managing Director & Chief Executive Officer (**MD & CEO**) on:
  - (i) Policy matters affecting the role of directors;
  - (ii) AICD membership matters; and
  - (iii) The strategy and policies of the AICD itself and management issues that may arise from time to time;
- (b) To consider applications for membership and membership upgrades for the relevant Division, as referred to in section 4 below;

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- (c) To provide oversight of the Director Professional Development continuing education system;
- (d) To represent the views and aspirations of the AICD in the relevant Division's state or territory and to develop relationships with leaders in directorship, regulation and politics who reside or are active in the state or territory; and
- (e) To support the State Manager with regard to advice on:
  - (i) Events;
  - (ii) Member services, member recruitment and retention, and member grade matters; and
  - (iii) The general conduct of the Division, including director and board development programs and Director Professional Development.

In the event that a Council or its President is minded to raise an issue about some aspect of the AICD management, the Division Council Protocol will apply.

Councils may undertake additional activities that are delegated to them by the Board from time to time.

### **4. KEY ACTIVITIES**

#### **Membership**

Each Division Council (or its applicable sub-committee, if any) performs the function of the membership committee in their respective Division and shall observe the By-Laws and committee charter (if applicable) when determining the outcome of such applications.

#### **Policy**

The Council will discuss matters of policy relevant to directors. It can explore with members as to what is of concern in their boardrooms. It will be supported with information and advocacy support materials provided from the AICD. The Council may raise additional issues for consideration by the AICD, the Policy Committees or the Board, or may comment to the Board and MD & CEO on any policy matter of interest to the AICD.

The Council will advise the AICD on policy issues arising in its Division area, e.g. as a result of state laws or regulations.

The Council may undertake policy or "thought leadership" projects under delegation from the Board. These will be supported by AICD staff, and the results reported back to the Board.

The Council will normally appoint a member as its representative on each of the Law Committee, Corporate Governance Committee and Reporting Policy Committee. The role of these representatives is to assist in the two-way flow of information between the Council and the Committees, complementing AICD staff.

The Policy Committees will remain the AICD's primary source of advice on policy matters, and the MD & CEO and General Manager Advocacy will coordinate the AICD's external communications and media relations.

#### **Events**

The Council may support the State Manager and other AICD staff on events and possible speakers to assist the Division to provide good service to its members and to fulfil its budget.

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The Council may suggest subjects or speakers for events of national as well as local interest, to be reported to the State Manager and taken into account in formulating programs nationally.

### **Division financial and operating performance**

The Council will receive copies of Divisional KPIs and may comment on them. It may give the State Manager advice on how to improve performance.

The General Manager Members & Directors (or delegate) will consult the Division President in formulating the State Manager's annual and periodic Divisional performance reports.

### **Reporting requirements**

The Council must keep minutes of its meetings and provide these to the MD & CEO or delegate in a timely fashion.

### **Frequency and timing of Council meetings**

To allow for coordinated participation in policy work, Council meetings will ideally be held within time windows determined by the Board. If no such time windows are set, meetings will be held at the discretion of the Council. There will be a minimum of four meetings each year. The Council may call additional meetings at its discretion.

## **5. ELECTION**

Council elections and the election of Presidents will be in accordance with the AICD's By-Laws.

The State Manager will provide induction materials and advice for new Council members or, on request, to people considering being nominated.

## **6. DIVISION STAFF**

Division staff members are appointed by, and are accountable to, the AICD. The General Manager Members & Directors or delegate will consult the Division President on the review of annual performance of, and on the appointment or termination of, the State Manager.

The State Manager will normally act as secretary for the Council, arranging meetings and agendas and recording minutes, unless another arrangement is made by the Council. He or she will present policy materials to the Council, in most cases emanating from the AICD's Advocacy function, and will convey the Council's views back to the AICD's Advocacy function.

The State Manager will advise Council meetings on the Division's activities, especially on plans for events and membership matters.

A reference in this charter to the title of an individual shall include any temporary or permanent replacement or substitute for that role or title from time to time.